Daily Report

Latin America

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FBIS-LAT-91-248 *26 December 1991*

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Cuba

Reportage on Upcoming ANPP Session

Escalona Comments

FL2412144191 Havana Tele Rebelde Network in Spanish 1320 GMT 24 Dec 91

[Text] Dr. Juan Escalona Reguera, president of the Cuban parliament, has held a news conference during which he discussed the next regular session of the National Assembly of the People's Government [ANPP] in its third legistature. Its permanent working commissions will meet at the Palace of Conventions on 24 and 25 December.

The president of the Cuban parliament said that on 26 and 27 December the delegates will hold a plenary session at the main hall where they will be able to express their opinions concerning the analysis of the resolutions approved at the Fourth Communist Party of Cuba Congress which have been referred to the National Assembly.

Another subject on the agenda to be discussed will be criminal activities and counterrevolutionary actions. The interior minister will present his report. Pinar del Rio's progress report and the findings of the ANPP working commissions will also be subjects discussed during this period of regular sessions.

Finally, the ANPP president announced that the working commission on health will form part of the Latin American Parliament in March. Cuba will preside over this meeting in acknowledgment of its successes in this sphere. Escalona called this was a recognition for the Caribbean island.

Standing Commissions Meet

FL2512020891 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 25 Dec 91

[Text] The standing commissions of the National Assembly of the People's Government [ANPP] have been meeting prior to the 10th regular sessions of the third ANPP term. These commissions are analyzing the draft work plans for the time left in the third term. The tasks common to all the commissions include participating in legislative work, keeping in mind the recommendations of the Fourth Communist Party of Cuba Congress concerning improvements in the people's government organizations, constitutional modifications regarding the electoral law, and the functioning of the various government bodies.

They also are reviewing the guidelines set by the government and the instructions for the special period, as well as continuing their efforts aimed at eradicating the causes of crime.

The Foreign Relations Commission analyzed the ANPP's activities in international relations during 1991. This commission has proposed expanding its ties with foreign parliaments as a way of spreading the truth about our situation.

The commission analyzing the sugar industry heard a speech by Vice Minister of the Sugar Industry Francisco Reyes. He stressed the need to fight for greater efficiency. He spoke about the initiatives the Ministry of the Sugar Industry [Minaz] is implementing to conserve fuel, citing as an example the use of cane straw as fuel in several sugar refineries.

The commission emphasized the need for greater efficiency and to continue to produce torula yeast, proteinaceous molasses, and other derivatives. It also debated the struggle to prevent the burning of the cane fields, since this creates problems for industry as well as agriculture. The commission noted the work by the Minaz in self-sufficiency. ANPP Secretary Ernesto Suarez Mendez said at the conclusion that this is not the time to have highs and lows in efficiency, but rather to get the most sugar out of the cane.

In the commission that oversees local government, Mirta Cardona, the secretary of the Havana City Provincial Assembly of the People's Government, explained to the deputies, who come from all over the country, the experiences of the 93 people's councils, the substance of their work, and the initiatives they have put into practice to fight crime in the capital. The deputies who make up other ANPP commissions will continue their work tomorrow.

ANPP To Make Reforms

PA2612124191 Mexico City NOTIMEX in Spanish 0146 GMT 26 Dec 91

[Text] Havana, 25 Dec (NOTIMEX)—Official sources have confirmed that the National Assembly of the People's Government [ANPP] will promote an opening of the country's political and electoral structures, will make modifications to perfect these structures, and will introduce changes to the Cuban Constitution.

The 10th session of the Cuban Parliament will conclude on 27 December. It will produce a new electoral law that establishes, for the first time, direct and secret election of deputies who will compose the assembly as of December 1992.

The island's legislators will introduce changes that will mirror the country's new domestic situation and will reflect the decline in Cuban-Soviet relations.

The legislators will substantially modify the political and administrative divisions that will be in effect during the forthcoming deputy elections in the framework of the socialist administration of President Fidel Castro.

The Fourth Congress of the Communist Party of Cuba, held in October 1991 in Santiago de Cuba, proposed to the assembly that "considering the political maturity of

our people, the elections to the posts of ANPP deputy and provincial delegate" will be through direct votes of the citizens.

The congress of the only political party that exists in the island suggested to the ANPP legislators that they continue making changes to the Constitution to perfect the people's government.

The Communist delegates also called for new ways and methods to expand the participation of social organizations during the process to develop candidates for the post of Provincial Assembly deputy and ANPP deputy.

The Communist delegates suggested: "It would be suitable to study the possibility of having political, mass, and social organizations choose their nominees to these posts from among their ranks."

Cuban deputies made various modifications to the Cuban Constitution's articles.

Among the articles that will be eliminated is the Constitution's preamble, which states textually:

"Backed by proletariat internationalism, fraternal friendship, assistance and cooperation from the USSR and other socialist countries, and the solidarity of the workers and peoples of Latin America and the world..."

Also paragraph F of Article 12, which states: "Bases its relations with the Soviet Union of Socialist Republics and other socialist countries on internationalist socialism, on the common goals of building a new society, fraternal friendship, cooperation, and mutual aid."

The deputies of the ANPP were elected by municipal assemblies at the rate of one deputy for each 20,000 inhabitants over 10,000.

With the modifications the deputies will make over the next two days, the provincial delegates and the ANPP deputies will be elected by direct, secret vote.

In this country of nearly 11 million inhabitants, the ANPP is the state's supreme organization that elects the President of the Council of State and Ministers every five years, a post that up to now have been held by one man: Fidel Castro.

On the assembly's agenda is the analysis of the report that will be presented to the plenum by the interior minister on economic crime, new decrees, and the report the Pinar del Rio Province will present.

The deputies on 26 and 27 December, including Fidel Castro, will hold sessions behind closed doors in the Havana Palace of Conventions.

Further on SNTECD Congress, Castro Remarks

PA2412205791 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 23 Dec 91

[Text] The members of the new national executive committee were presented during the closing of the Seventh Congress of the National Education, Science, and Sports Workers Union [Sindicato Nacional de Trabajadores de la Educacion, las Ciencias, y el Deporte, SNTECD]. Comrade Roberto Abreu was reelected SNTECD secretary general.

Holding the congress after the student congress undoubtedly permitted an analysis of aspects of the teaching vocation that have a direct impact on students. The scientific part of the discussions focused on intensifying research to achieve economic development. Emphasis was placed on discretion and the generalization of results.

The mass activities and the maximum technical utilization of qualified force were among the basic points of speeches made by the sports delegates. In general, the idea that the SNTECD sponsors exemplary behavior, love for duty, and effectiveness in carrying the duties of each worker, technician, and professional prevailed in all sessions.

This congress was held during difficult times. Several initiatives were proposed in order to face this period. The literacy campaign was carried out 30 years ago under the same difficult circumstances. Yesterday, the pride of Cubans allowed us to win that educational battle. Today, that same pride will permit our work to continue, despite the difficulties.

[Begin Fidel Castro recording] No one can deny our accomplishments in education and health. This has been recognized worldwide. But really, how can they deny our accomplishments? I think that the emphasis the revolution placed on education was definitely a correct move. This was a great strategic accomplishment of the Cuban Revolution. New things were accomplished. [1-minute break in reception] [end recording]

More Reportage on Services, Fuel Cutbacks

Transportation Reductions

FL2512191591 Havana Tele Rebelde Network in Spanish 1800 GMT 25 Dec 91

[Text] In today's edition of TRIBUNA DE LA HABANA, the Transportation Ministry reiterated the reduction in national bus and train services for the end of the year due to serious fuel cutbacks and lack of spare parts in the country.

According to calculations, the ministry is forced to implement new transportation cuts over and above the efforts the government is making. We have known since October that the national bus schedules would be reduced by 40.5 percent and the national trains, by 38.4 percent. That is why it is impossible for the country to

increase the current national bus and train services and add extra departures for the end of the year and the first of January.

This means that benefits, which are currently being enjoyed by transportation workers, will be limited including the free use of this mode of transportation especially when public demands are higher, in the months of July, August, and December. In order to avoid serious consequences, the public is asked to avoid unnecessary overcrowding in bus terminals, train stations, and ticket agencies. Meanwhile, transportation directors and workers will ensure the fulfillment of their responsibilities.

Buses Taken Out of Service

FL2512144591 Havana Tele Rebelde Network in Spanish 1200 GMT 25 Dec 91

[Text] One hundred and twenty gasoline-powered vehicles, used by the Havana City Bus Enterprise, will be taken out of service on 6 January in response to additional measures caused by fuel and other import shortages. Only diesel vehicles will be used beginning 6 January. There are 80 buses built from (?Sir Roman) and Las Camas truck motors and chassis.

Preliminary studies are being made to find safe and technically viable solutions which will allow diesel buses to use trailers, thereby increasing their capabilities with a minimum of cost as an additional measure to offset service shortages which the removal of these gas buses will cause.

Electricity Allocation Reduced

FL2512022191 Havana Radio Reloj Network in Spanish 2122 GMT 24 Dec 91

[Text] The daily electricity consumption plan in Cienfuegos Province will be lowered starting 6 January to 1,025 megawatt-hours on work days, and 1,005 on nonwork days. This is in accordance with the Electricity Union's generating capacity. To obtain the 126 megawatt-hour reduction of this first variation in the national electricity generation program, it is necessary for the state organizations and residential sector to use only exactly what they have been allocated. This will determine whether there will be blackouts, and measures have been proposed to find out the daily consumption by the users.

More inspectors will be appointed in Cienfuegos Province, air conditioning equipment in offices and services will be eliminated where it is not essential, and public lighting will be redefined in the cities.

Bicycles Counter Shortages

PA2612033991 Madrid EFE in Spanish 2104 GMT 25 Dec 91

[Text) Havana, 25 Dec (EFE)—Public transportation will endure further reductions on 6 January—the day of the Three Wise Men, who will bring more bicycles to the people. More than 500,000 people will have to use the bicycles for transportation due to the fuel and spare part shortage.

More than 430,000 PRC-made and 30,000 Soviet bicycles will be distributed. Added to the 70,000 already in use, bring the total to 530,000, according to statements to local media on 25 December by Havana Municipal official Wilfredo Espinosa.

Beginning in January, 700 taxis will stop operating. This will leave about 800 for assistance centers, funeral parlors, and the airport.

Of the buses, known commonly as "routers" [ruteros], about 120 will stop operating on 6 January, and only 80 will remain in service.

The "routers," which burn diesel, can handle 60 percent of the 53,000 daily passengers in Havana.

About 900 buses, mostly built in Hungary, are not operating at present due to lack of tires, license plate problems, or motor damage.

Urban transportation in Havana, a city with more than 2 million inhabitants, is based on buses.

In addition to the restrictions Cuba has to bear, the government announced power cuts and fuel reductions for productive activities and for public consumption.

Work Directorate Estimates Unemployment in Havana

PA2512145691 Paris AFP in Spanish 2009 GMT 24 Dec 91

[Text] Havana, 24 Dec (AFP)—The Cuban NATIONAL INFORMATION AGENCY, AIN, reports on 24 December that there were 5,879 jobless workers in Havana through 31 October due to shutdowns or layoffs because of power shortages or lack of raw materials.

AIN, quoting the Havana work directorate, reports that 29,348 workers were made "redundant," of which 23,469 were "relocated."

As of 31 October, 5,879 workers had not been reemployed. Of that number, 673 are at home receiving 60 percent of their salaries, and 232 did not accept their relocation offers, according to AIN, which estimates the Havana labor force at "nearly 800,000."

AIN quotes the work directorate, which estimates that the number of "redundant" Havana workers in 1992 will increase to about 55,000.

Commentary Discusses 'Authenticity' of Revolution

PA2512212891 Havana Radio Havana Cuba in Spanish 1400 GMT 25 Dec 91

[Commentary by Roberto Morejon]

[Text] The former USSR ceased to exist when the death certificate was signed and sealed in the city of Alma-Ata and with it the last vestiges of what in the past was known as the socialist bloc.

Those who during the past 30 years viewed Cuba as a Moscow satellite, now predict how long socialism will last in Cuba now that this country no longer receives the assistance it used to get from the former USSR. Those prophets, however, should realize that except for a few guidelines extemporaneously copied by some local officials, the Cuban Revolution traced its own line of action, which it has maintained during the past three decades against all odds. The foresight of Cuban authorities was tested during that time, and more recently when despite pressures, Havana decided to continue on the same path, refusing to accept a return to capitalism as Prague, Budapest, Warsaw, and others were doing.

Yesterday and today—although this may not be recognized abroad—Cuba has acted and continues to act based on its own convictions. It agreed or disagreed with Moscow when necessary in defending the principles of the people's process that triumphed in 1959. That is one of the many factors confirming the authenticity of the Cuban Revolution, which was consolidated when Cubans realized that with or without a socialist bloc, no one would rush to defend it from the other side of the Atlantic Ocean in case of a U.S. military attack.

An action of that nature will not disappear from the White House's arsenal of possibilities, particularly when its occupants finally realize the failure of the economic extortion and political siege.

Another factor proving the authenticity of the Cuban process is the special Cuban interpretation of Marxism-Leninism, although it is clear for all that perception could be further enriched by developing a complementary source: the vast treasure of Jose Marti's ideas. The originality of the Cuban process makes it possible to find practical solutions to today's multiple challenges and contributes to the elimination of skepticism.

Anticrime Operations Successful in Las Tunas

FL2512030191 Havana Radio Reloj Network in Spanish 2119 GMT 24 Dec 91

[Text] The results of the 33d Anniversary of the Revolution anticrime operation carried out in Las Tunas have been described as very positive, according to what was said at a meeting with the representatives of the municipalities of that province. Since October, there has been a drop in criminal activities in the province due to the strict vigilance which is neutralizing offenses against the law. Colombia, Amancio Rodriguez, Jobabo, and Las Tunas Municipalities in Las Tunas Province have reported fewer thefts and robberies than in 1990, and in general antisocial activities have shown a noticeable drop during this year.

Julian Lopez Hernandez, president of the Las Tunas Provincial Assembly of the People's Government, acknowledged the importance of the meeting and stated that the experiences from this operation against crime should be applied everywhere there is [words indistinct].

Malmierca Arrives in India, Meets Prime Minister

FL2512180791 Havana Radio Progreso Network in Spanish 1725 GMT 25 Dec 91

[Text] Foreign Minister Isidoro Malmierca has arrived in New Delhi. He was met was by Indian Prime Minister Narasimha Rao. They discussed topics relating to bilateral relations, the current international situation, and South-South cooperation.

The atmosphere at the meeting between Malmierca and Narasimha Rao was friendly. During the course of the talks, the Indian prime minister reiterated the interest and willingness of his party and government to work toward development of bilateral relations.

Agreement Signed With Romanian Science Academy

FL2512023591 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Dec 91

[Text] The Cuban and Romanian Science Academies signed a cooperation agreement in Bucharest today. Through this agreement, they will exchange scientific researchers on subjects of mutual interest. Cuban Ambassador to Romania Eulogio Rodriguez Millares and (Nikolai Kajal), vice president of the Romanian Science Academy, signed the agreement, which will promote and facilitate the establishment of direct contacts between research and higher education institutes. In addition, both institutions will mutually support each other's participation in international scientific forums held in the two countries.

Espin Presides Over Family Year Meeting

FL2412151291 Havana Radio Rebelde Network in Spanish 1255 GMT 24 Dec 91

[Text] Vilma Espin, member of the Communist Party of Cuba Central Committee and president of the Federation of Cuban Women, has presided over in Havana City the ceremony establishing the national coordination committee for the International Year of the Family. The chairman of the work group said she hopes that the declaration of the International Year of the Family will prompt governments to universally seek effective solutions to improve family living conditions.

Cooperation Memorandum Signed With Colombia

FL2512184391 Havana Radio Progreso Network in Spanish 1725 GMT 25 Dec 91

[Text] In Havana, the Colombian and Cuban Governments have signed a memorandum regarding judicial cooperation in order to strengthen the fight against

drugs. Its objective is to guarantee the exchange of information and evidence which can contribute to the investigation and prosecution of drug traffickers. The document was signed by Colombian Justice Minister Fernando Carillo Flores and Cuban Justice Minister Carlos Amat Fores.

Ratification of Haitian Prime Minister Noted

FL2412132891 Havana Radio Rebelde Network in Spanish 0000 GMT 24 Dec 91

[Text] PRENSA LATINA has reported that the Haitian Parliament will analyze today the ratification of Communist Party leader Rene Theodore as prime minister of Haiti. Theodore's nomination has been initially accepted by the Chamber of Deputies and ousted President Jean-Bertrand Aristide but still requires other legislative formalities. Augusto Ramirez Ocampo, head of the OAS special mission seeking a solution to the Haitian crisis, said that Aristide's acceptance of Theodore as prime minister opens the doors to an important political agreement so that the Caribbean island can return to normality.

Rene Theodore, who could replace Rene Preval in his functions as prime minister, is the secretary general of the Unified Party of Haitian Communists and was one of the 12 candidates initially approved at the meeting in Colombia between the deputies and Jean-Bertrand Aristide. Local observers consider Theodore the most notable communist leader in Haiti, and a moderate politician who is respected by his adversaries for his courage.

Haiti

Reportage on Prime Minister Situation

Ramirez Ocampo Interviewed

PA2412174291 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 23 Dec 91

[Interview with Augusto Ramirez Ocampo, chairman of the OAS Civil Commission for Haiti and former Colombian foreign minister, by unidentified reporter in Santa Fe de Bogota—live]

[Excerpts] [Reporter] Our guest is former Colombian Foreign Minister Augusto Ramirez Ocampo, who as chairman of the OAS Civil Commission went on 18 to 19 December to Port-au-Prince. He has some news. As has been reported, there is enough support in the Haitian congress and there is backing from Father Jean-Bertrand Aristide for Mr. Rene Theodore to become prime minister of Haiti.

Dr. Ramirez Ocampo, what made this agreement possible? Only last week, the candidate for prime minister was Victor Benoit. Congress was supposed to meet. Based on information from Haiti we understand the Army never allowed congress to meet to discuss the prime ministerial post, and all of a sudden we have the name Rene Theodore. Good morning.

[Ramirez Ocampo] Good morning. My colleagues from the Civil Commission and I went to Port-au-Prince because we do not want to leave a uncertain situation in Haiti, where the situation is very sad. For this reason we want to promote an agreement soon. During our last trip there, the representatives of Parliament—Senate President Dejean Belizaire and Chamber of Deputies President Duly Brutus—presented to us a list with two names: Marc Bazin and Rene Theodore.

President Aristide had proposed Victor Benoit. Congress studied this proposal. On 18 December, at noon, we participated in a meeting with approximately 40 congressmen. The constitutional situation is that the Senate is in session but the Chamber of Deputies will not be in session until the second week of January.

Following our consultations, the parliamentary spokesmen insisted that Marc Bazin and Rene Theodore should be proposed. On 22 December, President Aristide authorized me to announce that he was prepared to accept Rene Theodore as prime minister if Theodore secures majority support in Parliament. Aristide said he believes Theodore's appointment would be an expression of the Haitian people as made evident by theirs most representative institution.

I think this will open the door to an important political agreement that will allow the country to return to constitutional norms and will lead to President Aristide's prompt return.

[Reporter] Dr. Ramirez Ocampo, considering that Rene Theodore secured less than 3 percent of the votes and, according to the information we have on Haiti, he was not only an antagonist but almost an enemy of Father Aristide; How do you explain President Aristides's conciliatory attitude?

[Ramirez Ocampo] The crisis in Haiti has made it mandatory for opposing sides to reach agreements. [passage omitted] In Haiti, what is being sought is a broad political agreement between President Aristide's followers, and there are many, and other large and small political parties.

Although democracy in Haiti is only incipient, there are 26 political parties there. Fourteen of the 26 parties are represented in congress. Party representation is very small in all cases. Only two or three political groups have a significant number of representatives, but none is a majority.

The idea now is that the prime minister will be able to organize, in agreement with the president, a truly national unity cabinet and to reestablish the conditions for peace, for the end of hatred and confrontation, and for the reconstruction effort that Haiti so much needs.

[Reporter] Thank you, sir.

Ramirez Ocampo Meets Benoit

PA2512042091 Mexico City NOTIMEX in Spanish 2001 GMT 24 Dec 91

[Text] Port-au-Prince, 24 Dec (NOTIMEX)—Augusto Ramirez Ocampo, special OAS envoy to Haiti, has met with Victor Benoit, the prime minister designated by Haitian President Jean-Bertrand Aristide. Ramirez Ocampo reportedly asked Benoit to turn down the appointment.

According to sources close to Benoit, Ramirez Ocampo asked him to "step down" in favor of communist leader Rene Theodore.

The sources told NOTIMEX that "Benoit did not step down because the alternative represented by Theodore does not please many Haitians."

Ramirez Ocampo, a former Colombian foreign minister, closed the last round of negotiations on 22 December without finding a solution to the current crisis. During the 24 hours of negotiations in the capital, he met and negotiated with prominent leaders of Haiti's national life, including Benoit, former prime minister Rene Preval, and the parliamentarians. According to parliamentarian sources, "Ramirez Ocampo's actions were very strange." Ramirez Ocampo told Preval he had "good news" —the election of Theodore as prime minister. According to the sources, however, Preval received Ramirez Ocampo's announcement "coldly."

The announcement that Theodore, a leader of the Unified Party of the Haitian Communists, would be the next prime minister, elicited negative reactions in several circles.

Willy Romelus, bishop of Jeremie, said that Theodore "is not the right man for the situation" and that his stand "is ambiguous."

Observers in the capital wonder what reasons Ramirez Ocampo might have had for accepting Theodore's designation due to the fact that he, Ramirez Ocampo, appeared determined in the past few weeks to find a lasting solution to the crisis. Some have said that "Operation Theodore" is favored by the U.S. Department of State. According to these sources, U.S. President George Bush pressured for a quick solution to the crisis.

Several senators and deputies demand security measures to hold a meeting and ratify the appointment of the prime minister. The parliamentarians have requested the certainty of a reasonable term because they are afraid of the Army's reaction. This is one of the points that block the negotiations.

To guarantee the legislators' protection, Ramirez Ocampo demanded that the legislators vote for the candidate designated by the group of parliamentarians headed by Senator Jean Belizaire. This would mean that Aristide would not designate the prime minister.

The parliament is split on this matter. No one has called up Benoit, the candidate designated by Aristide. According to several observers, everything depends on the U.S. administration's stand on respect for the constitutional process. If the Bush administration continues to pressure to prevent Aristide from designating the prime minister, as the Constitution stipulates, the crisis will continue to deteriorate.

Benoit on Nomination

FL2412175091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Dec 91

[Excerpts] Professor Victor Benoit, leader of the National Congress of Democratic Movements [Conacom], thinks that those heading the Senate of the Republic are procrastinating in order to impede a solution to the national crisis. Benoit firmly believes that he is the one that Father Aristide has officially designated as candidate for the post of prime minister, not Rene Theodore. The Conacom leader says he will stand by this position until Father Aristide sends a document showing clearly that he has designated someone else to replace him.

[Begin Benoit recording] [Passage omitted] I think there is no other political leader on the scene now who has the same potential with the Parliament. With regard to my capability to approach and to reassure the different political sectors, I will tell you that since Father Aristide designated us as prime minister, I have contacted many political leaders about their willingness at this time to participate in a government of recommencement, in a government of consensus on the basis of a program, on the basis of a proposition that we should sign jointly after discussions. We have talked (?with them) about the possibility of drawing up a proposition for political transition. In addition to the political leaders and parties, we are in touch with organized groups from the civilian, private, and union sectors and so forth so that we can set up a national union government. Of course, it will not be a collegiate government. Obviously, it will be a government in keeping with majority trends, but it will be sufficiently representative of the various sectors of society. Then, as moderate people who have a spirit of advancement, we think we really can contribute to solving the crisis. [end recording] [passage omitted]

Theodore Denies Statements

FL2412165091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Dec 91

[Text] Yesterday, Rene Theodore, president of the National Reconstruction Movement, who is in line for the post of prime minister to replace the current prime minister, categorically denied the French newspaper LE MONDE report claiming that Theodore stated that deposed President Jean-Bertrand Aristide could not return to power in Haiti within one year. Theodore explained that this information is totally false and ill-intentioned. On the contrary, Rene Theodore pointed

out that the problem of Aristide's physical return falls within a process whose calendar cannot be predetermined.

We must point out that yesterday, Mr. Theodore initiated contacts with the main Haitian political leaders and these exchanges will continue in the next few days at the Parliament, according to what we have learned.

Theodore, Bazin 'Accepted'

FL2512120291 Bonaire Trans World Radio in English 1130 GMT 25 Dec 91

[Text] Ousted Haitian President Jean-Bertrand Aristide is in exile in Venezuela now, as officials of the Organization of American States try to negotiate conditions for his return to Haiti. Mr. Aristide has accepted the names of two prime ministers who would share power should he be allowed to come back. [sentence as heard] They are Rene Theodore and Marc Bazin.

Further on Honorat's Views on Elections

FL2412182691 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 24 Dec 91

[Excerpts] [Passage omitted] According to Prime Minister Jean-Jacques Honorat, the provisional government resulting from the 30 September coup should be vigilant of all diversions in view of their mission to hold elections. The prime minister further said that Articles 137 and 149 of the Haitian Constitution are not incompatible. The government officials are preparing, in compliance with the Constitution, to find a solution to the crisis that the country is experiencing. The prime minister stated that there are not two heads of state in the country, but only one. The government that he is leading has already set up the departmental assemblies that will make proposals for the formation of the electoral council in the event [as heard] of new elections.

[Begin Honorat recording in French] [Passage omitted] In other words, the negotiated solution must take into account what was done on 8 October [appointment of Judge Joseph Nerette as provisional president under Article 149 of the Constitution]. [passage omitted] [end recording]

Trinidad and Tobago

Coup Inquiry 'Stayed' Pending Amnesty Outcome

FL2412191191 Bridgetown CANA in English 1701 GMT 24 Dec 91

[Text] Port-of-Spain, Trinidad, Dec 24, CANA—An inquiry into the attempted overthrow of the Trinidad and Tobago Government last year July by members of the Jamaat al-Muslimeen was halted on Monday pending a high court decision on an amnesty granted the rebels during the seige.

Presiding Chief Magistrate Melville Baird, agreed with the request by prosecutor Theodore Guerra that the inquiry be stayed until the outcome of the amnesty issue, which was remitted to the High Court here on orders by the British Privy Council two weeks ago. The 113 Muslimeens led by Yasin abu-Bakr had appealed their constitutional and habeas corpus applications to the Privy Council, following their defeat in the High Court and the Appeal Court here.

The Muslimeens who are facing treason, murder, and other charges are contending that they were given an amnesty by acting President Emmanuel Carter between July 27 and Agusut 1, which absolved them from any crimes during the coup attempt. The abortive coup which resulted in a hostage crisis involving former Prime Minister A.N.R. Robinson and parliamentarians left two dozen people dead.

At the court sitting prior to Monday's, defence attorney Nathaniel King has asked Baird to pre-empt the constitutional motion and habeas corpus proceedings and free the accused. In giving his ruling on Monday Baird said the Privy Council had upheld the submissions of the Jamaat members and ordered the constitutional motion and habeas corpus cases be consolidated and tried together in the High Court here.

"For this court to accede to the request of the defence to pre-empt the proceedings in the high court and discharge the accused, it would be purporting to exercise jurisdiction with which it is not clothed, with the result that its order would be null and void," the TRINIDAD GUARDIAN on Tuesday quoted Baird as saying.

El Salvador

Government, FMLN To Discuss Transition

PA2412201691 San Salvador Radio Cadena YSKL in Spanish 1200 24 Dec 91

[Text] The Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] will negotiate the still unresolved topics relating to the creation of a national civilian police force and the reduction of the Armed Forces.

This will be the first direct meeting between the sides since this new round of talks began on 16 December, with the goal of finding a conclusive agreement that will allow them to end a war in which over 75,000 persons have died.

The negotiations will be held at the home of UN Secretary General Javier Perez de Cuellar. Perez de Cuellar has expressed his interest in finding an agreement before his term concludes at the end of the year.

FMLN sources said that the talks could end within three days if there is the political will to do so. They admitted, however, that there are still serious obstacles and that the short time left works against them.

The FMLN, according to its statements, seems to be the party more interested in accelerating the talks. According to rebel spokesperson Roberto Canas, the FMLN asked the UN secretary general for direct meetings with the government, with the participation of Salvadoran President Alfredo Cristiani. We believe that the negotiations should move faster, Canas said. He added that the direct talks between the sides will allow the talks to move faster.

Meanwhile, Presidency Minister Oscar Santamaria said the decision on when to call Cristiani, who is in El Salvador, belongs solely to Perez de Cuellar.

While Santamaria said the delegation he heads presented its proposal to Perez de Cuellar, the FMLN said that the government has not yet stated its position on how and to what extent the Armed Forces reduction will be carried out. The FMLN also proposed to include delegates from the National Commission for the Consolidation of Peace, as they believe that their presence would help the agreements.

High-ranking Armed Forces officers and FMLN commanders are in New York waiting to begin negotiating a definite cease-fire in El Salvador, under the supervision of Marrak Goulding, the under secretary general for political matters.

The Salvadoran guerrillas want some sort of guarantee that they will be allowed to become part of the new police force, in order to prevent the Army from trying to control it in the future. FMLN sources said that their position is that 60 percent of the force be open to independent candidates, and the other 40 percent be divided equally between the guerrillas and the members of the current police forces in the country.

Other problems awaiting definition are: how the transition period will be carried out to allow the implementation of the national police; what jurisdiction the new force will have in matters of criminal legislation; and to what ministry it will respond.

During the transition period, which the FMLN estimates could last from 12 to 18 months, a peaceful coexistence would occur leading up to the general election slated for March 1994.

Defense Minister: Armed Forces Support Peace

PA2512234791 San Salvador LA PRENSA GRAFICA in Spanish 24 Dec 91 p 76

[Text] On 23 December, Defense Minister General Rene Emilio Ponce said: "If a peace treaty is signed today or tomorrow, the Armed Forces will support it. This treaty must be firm, formal, and lasting, and not just a piece of paper, or a ceremonial document, or a scheme."

Ponce said that "the only interests that can prevail are those of the people who deserve credit for achieving peace after 12 years of suffering, frustration, terror, pain, and death."

The military commander was interviewed on 23 December in his Defense Ministry office. The interview touched on national current events. Here is a list of the issues discussed:

1. Regarding the possibility of signing a peace treaty before 31 December, Gen. Ponce said that the Armed Forces agree that the sooner the people are presented with the peace they desire, the better. He noted, however, there should be no rush so that later "we do not have to face a worse situation."

2. The defense minister noted that the National Civilian Police [PNC] will be composed of people not involved in politics. To be admitted in the PNC, they must pass an examination and fill certain requirements. For example, to be a policeman, a person must be a high school graduate, have no political commitment, and be willing to serve society, etc.

3. Regarding possible changes in the ranks of military institutions, barracks, or security bodies, Ponce said that there will not be any changes before the end of the year.

4. Ponce said that the Farabundo Marti National Liberation Front [FMLN] has lied regarding the unilateral truce it offered. He added that the moment the FMLN announced the truce, it increased its war activities.

5. Ponce said that the Armed Forces have maintained their defensive positions to guarantee, as the Constitution establishes, the people's safety.

6. Ponce argued that the FMLN is waging psychological warfare and is pushing peasants into seizing land, knowing that the law punishes this kind of action.

7. The official said that a peace treaty would serve no purpose if the FMLN continues with the agitation campaign it has been maintaining for years through partisan organizations, labor unions, associations, etc.

8. Regarding possible promotions to the rank of general, Ponce said that promotion plans are not announced until a commission rules on them.

9. Finally, Gen. Ponce recommended that politicians act with moderation and not try to confuse the people. He urged the FMLN not to persuade peasants into seizing land because the nation's laws punish this kind of seizure.

ARENA President on Downed Honduran Helicopter

PA2412184691 San Salvador Radio Cadena YSU in Spanish 1230 GMT 21 Dec 91

[Text] Nationalist Republican Alliance [ARENA] President Armando Calderon Sol condemned on 20 December the shooting down of a Honduran Armed Forces helicopter by members of the Farabundo Marti National Liberation Front [FMLN].

The Salvadoran rebels shot down a Honduran military helicopter on 19 December, killing nine persons, including Colonel Danilo Carbajal, commander of the Honduran Army's 10th Infantry Battalion.

Calderon Sol asked the international community to condemn the shooting down of the UH-1H helicopter that overflew Salvadoran territory.

[Begin Calderon Sol recording] It is regrettable that they shot down a Honduran helicopter now, just when we are talking of peace, and when the FMLN has declared a unilateral cease-fire to demonstrate their cooperation, and when they have publicly stated that they were decreeing this unilateral cease-fire. I think this is regrettable, even condemnable. We must ask the international community to firmly condemn the FMLN, and condemn their act of war, and condemn the fact that innocent persons from any place and from any country can die in a war. I believe that these actions are unacceptable. The civilized world should repudiate this action, and the United Nations should receive condemnations from all states in support of Honduran citizens, the legitimate institutions of Central America, and of Salvador. [end recording]

According to the FMLN, the Honduran helicopter was shot down at Jalacatal Chill, Cacaopera municipality, 14 km from the border.

Armando Calderon Sol referred to the statements made by the Christian Democratic Party, which said that the FMLN could be incorporated into society as a political party, but that the FMLN cannot legally enter the political and democratic life of the country until they are disarmed. It would be incongruent to allow the FMLN to participate in the political life while they have armed groups under their orders, said the ARENA president.

[Begin Calderon Sol recording] It is regrettable that Deputy Gerardo Le Chevalier has made these untimely and [word indistinct] statements. I believe that [words indistinct] of the National Commission for the Consolidation of Peace and I believe that he is not telling the truth. I am sorry that these situations occur. I do not know what interests drive Gerardo Le Chevalier, but I can tell you that what he has said is totally false. What was said is that there is the will to ease the entry of the FMLN into political life, and that we would have to seek legal ways for that incorporation because the FMLN cannot legally participate in the political and democratic life of the country if they do not disarm. It would be incongruous to allow the FMLN to participate politically and still have armed groups under its orders. It would be anarchy; not democracy, but total and absolute anarchy. We cannot agree that the FMLN will start getting involved in politics and later disarm. [end recording]

ARENA President Calderon Sol said that the statements made by Deputy Gerardo Le Chevalier are neither legitimate nor legal.

FMLN: Government 'Endangering' Unilateral Truce

PA2412164691 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 24 Dec 91

[Text] Belloso Battalion troops and commando units of Military Detachment No. 4 continue to launch offensive military operations in the area of Torola, San Fernando, and Perquin, Morazan Department. Only a few hours before Christmas eve, Belloso Battalion continues its repressive actions in northern Morazan. As we have reported in the last few hours, these troops have destroyed crops and homes in the area.

The Armed Forces' offensive against areas controlled by the FMLN [Farabundo Marti National Liberation Front] continues throughout the country. The unilateral truce may be suspended because of fault on the government's part and by Cristiani's repressive actions against the press, the people's movement, landless peasants, and residents of the conflict areas. The government is playing with fire. It is endangering the unilateral truce decreed by the FMLN more than a month ago, which has not yet been matched by the Armed Forces and the Cristiani administration.

Those who are attacking us now should not cry later. Those who are waging war against our people should not later run to the international community for help .

Rebels Respond to Armed Forces Attacks 20 Dec

PA2412164791 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1200 GMT 21 Dec 91

[Communique issued by the Modesto Ramirez Central Front, Cinquera sector, on 20 December; place not given]

[Text] 1. On 20 December, National Army for Democracy units began an operation to respond to Military Detachment No. 5 [DM-5] units that have been in territories under Farabundo Marti National Liberation Front [FMLN] control since 16 November. That is the day the FMLN General Command declared a unilateral truce, which our forces have observed with great responsibility. Acting against the truce, DM-5 paratrooper units have been constantly provoking our forces in Tenancingo, Suchitoto, [name indistinct], El Perico, La Bermuda, Papaturro, and [names indistinct].

2. Our operation consisted of a maneuver against two DM-5 companies that were on (Copachan) Hill and outside [name indistinct] village. Some of the attacked troops fled in disarray when the fighting began at 0730. Preliminary reports indicate that we killed five soldiers and wounded 10 others, including an officer. We also captured wounded soldier Antonio Hernandez Enriquez. He is from San Rafael Cedros, Cabanas Department. Our medical units gave him medical attention, and then released him. We also report that we seized materiel as follows: two M-16 rifles, two knapsacks, and four [words indistinct] grenades.

3. At 1400, battles were waged on the road between Suchitoto and San Martin. Two DM-5 sections [words indistinct] the turnoff to La Bermuda toward Tecomatepe Hill. We wounded four soldiers, including a corporal and an officer who was a section chief. We also distributed propaganda.

4. We reaffirm our willingness to respect the unilateral truce, and to respond to the Armed Forces aggressions in our territories.

5. We tell the warmongering sectors of the government—the Nationalist Republican Alliance and the Armed Forces—that our forces are ready to accept peace with democracy.

[Signed] Joint Command of the Modesto Ramirez Central Front, Cinquera Sector
[Dated] 20 December 1991

Report on Clashes Between Armed Forces, Rebels

PA2512234891

[Editorial Report] The following is a compilation of reports on fighting between the Salvadoran Armed Forces and the guerrillas of the National Army for Democracy, END, of the Farabundo Marti National Liberation Front, FMLN, from 21 to 23 December.

Clandestine Radio Venceremos in Spanish to El Salvador at 0000 GMT on 22 December reports that on 21 December, END units clashed with Bracamonte Battalion troops in Apopa Municipality, San Salvador Department. As a result of this clash, the announcer notes, the Bracamonte Battalion suffered 13 casualties; END suffered two dead and one man was captured.

The announcer reports that on 21 December, END forces attacked units of Military Detachment No. 1 in Potonico Municipality and inflicted 20 casualties on the detachment. The report adds that as a result of END attacks in other areas of Chalatenango Department, the Army suffered another 10 casualties.

Clandestine Radio Venceremos in Spanish to El Salvador at 0000 GMT on 24 December reports that on 18 December, Belloso Battalion units entered Morazan Department areas under FMLN control and that as of 22 December, forces from this battalion, with troops from Military Detachment No. 4, have taken offensive positions in Torola, San Fernando, and Perquin, in Morazan Department.

San Salvador LA PRENSA GRAFICA in Spanish on 22 December on page 42 reports that seven soldiers of the General Manuel Jose Arce Battalion were injured when the truck in which they were traveling was ambushed by FMLN units near Osicala, Morazan.

Guatemala

Foreign Minister on Possible Cut of U.S. Aid

PA2512152091 Guatemala City PRENSA LIBRE in Spanish 24 Dec 91 p 3

[Text] On 23 December, the Guatemalan Foreign Ministry voiced its doubts over the U.S. decision to suspend military and economic aid to the country as a result of the government's decision not to reduce the Army, according to Foreign Relations Minister Gonzalo Menendez Park.

Interviewed in the banquet room at the National Palace, the Guatemalan foreign minister said he did not have official information on the U.S. Government decision to suspend cooperation as of next year.

Foreign Minister Menendez Park commented on recent statements by the U.S. ambassador to Honduras, who said President Bush will reduce the aid to the Salvadoran and Guatemalan administrations because they refuse to cut military spending.

Menendez Park said the United States is aware of the armed conflict that has been taking place in Guatemala for several years. He added: The United States surely understands President Serrano's position not to cut military spending while the internal fighting continues.

Menendez Park voiced his doubts about the suspension of economic aid. He said: "The United States is facing

economic problems and is trying to provide some kind of assistance to the eastern European countries." This, he continued, has forced President Bush to reduce aid to the Central American peoples.

But the foreign minister noted that he has had no official information on the matter. He said the wire report alluding to the suspension of aid probably referred to military assistance, not economic aid, because relations between Guatemala and the United States are close and positive.

During the Central American presidential summit held recently in Tegucigalpa, the UNICEF and the UN Development Program (UNDP) asked the presidents to reduce army budgets and to redirect spending into meeting their countries' social needs.

President Serrano has said many times that Guatemala cannot reduce its Armed Forces while as the war promoted by the Guatemalan National Revolutionary Unity (URNG) continues. Defense Minister General Jose Domingo Garcia Samayoa has supported President Serrano's argument, pointing out: "The Guatemalan Army does not have sophisticated equipment as do the armies of other countries of the region." In this regard, he concluded, the Armed Forces cannot be cut back.

Archbishop Defends Human Rights Report

PA2512013791 Guatemala City Teleonce Television in Spanish 1800 GMT 23 Dec 91

[Text] The Catholic Church reaffirms the validity of a recent statistical report issued by the Archbishopric's Human Rights Office. The report indicates that up to November 1991, over 1,000 human rights violations occurred in Guatemala. Due to the report, government officials have urged the archbishopric's office to supply details that will help the investigations. On 23 December, Guatemala City Archbishop Monsignor Prospero Penados Del Barrio once again commented on this topic:

[Begin recording] [Penados] It has been said that the church is not very serious and that it exaggerates reports. What we think and say, however, is based on reports filed by interested parties. For example, if a murder takes place in San Marcos, Huehuetenango, or Solola—especially among poor people who do not have anyone to defend them or do not have the resources to state their grievances—it is reported to the Archbishopric's Human Rights Office, which is an office that serves the poor. The church simply makes the information known. In other words, this office is an opportunity for the poor to state their grievances. We are not accusing the Army, the police, or anyone in particular. We are simply stating what takes place. It is now up to the government authorities to investigate the incidents that we report. When the church reports there are so many murders or people missing, we are not accusing anyone. We are stating what the interested parties have reported to us. We have a list in the office with dates and places where these incidents occurred. For example, you have some data supplied by Ramiro de Leon Carpio, Ombudsman for Human Rights Cases. The information supplied coincides with what the church says—the report is a very sad one, but it is a true picture of what takes place in Guatemala. For example, his report says: Internal Armed Conflict—For over 30 years, Guatemalans have experienced armed domestic conflict, which has resulted in hatred, destruction, and death—no one denies this. The information is indeed very distressing: Approximately 150,000 orphans in 30 years, including 1991; 40,000 people missing; 100,000 widows; over 1 million people displaced; and 40,000 refugees in Mexico.

In this report Leon Carpio is not blaming the Army, the police, or the security forces. He is simply passing on information. This, too, is the work of the church; it is a cry of alert to the proper authorities so they can verify what the church is reporting. It is the voice of the poor.

[Reporter] How many people have died according to this report?

[Penados] The report indicates approximately 150,000 dead. It is very sad because it is a war between brothers, between Guatemalans. We are tired of this situation. [end recording]

Guerrilla Group Demands Respect for Human Rights

PA2412201791 Guatemala City EL GRAFICO in Spanish 21 Dec 91 p 7

[Text] After a meeting between the government and rebels that created great expectations, Monsignor Rodolfo Quezada Toruno [president of the National Reconciliation Commission], commented on the talks, while members of the government delegation avoided the press. As they were leaving the talks, held at the old airport installations, home-made devices placed by the rebels detonated, scattering pamphlets in which the URNG [Guatemalan National Revolutionary Unity] stated its position on the negotiation process and the human rights situation in Guatemala.

The URNG made strong demands, saying that "the violation of human rights in Guatemala must end immediately, to which end the government of Jorge Serrano Elias and the Army must take all the necessary measures and stop demagoguery."

On the negotiations, the rebel organization said that "during the past weeks, delegations from the URNG, the government, and the Army have discussed human rights as part of the agenda approved in the Mexico Agreement in recognition of the grave, systematic, flagrant, and unpunished way in which human rights are disregarded in our country."

"During the negotiations, the URNG demanded that the government guarantee and ensure full respect for the human rights of all those who live in our nation, without

any discrimination and without the government finding excuses to justify its noncompliance."

Honduras

Officials Believe Guerrillas 'Executed' Soldiers

PA2512024391 Mexico City NOTIMEX in Spanish 2132 GMT 24 Dec 91

[Excerpts] Tegucigalpa, 24 Dec (NOTIMEX)—Honduran authorities regard as probable that Salvadoran guerrillas executed the nine Honduran Air Force members who died on 19 December when their helicopter crashed.

Honduran Foreign Minister Mario Carias Zapata said that, according to a preliminary report, one of the soldiers survived the crash, but died later. The foreign minister added that this soldier was not executed by the Salvadoran guerrillas.

According to another report, however, the bodies of several of the victims show "gunshot wounds." This version was confirmed by members of the Tegucigalpa coroner's department, where the autopsies were performed. The sources said that some bodies have bullet wounds in the face and chest. [passage omitted]

Two Venezuelan doctors arrived in Honduras to assist the Supreme Court of Justice Coroner's Department in the autopsies.

Unofficial sources said that Orlando Lozano Martinez, president of the Supreme Court of Justice, will announce the results of the autopsies to President Rafael Leonardo Callejas next week.

Nicaragua

Government Ministry Communique on Amnesty Law

PA2512164591 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 24 Dec 91

[Government Ministry communique, read by spokesman Frank Cesar in Managua; date not given—recorded]

[Text] The Government Ministry of the Republic of Nicaragua, in compliance with the orders contained in the Amnesty Law, issued on 22 December by her Most Excellent President Violeta Chamorro, reports the following to the citizens:

First. In compliance with Articles 2 and 3 of that law, the detainees who will benefited by it will be freed as follows:

1. By police authorities if they are handling the case within the nine-day deadline given them in the law on police duties to investigate events.

2. By the Attorney General's Office, if the detainee and his file are under the attorney general's jurisdiction. These cases must be studied and a ruling issued within the three-day deadline specified by the law.

3. By regular court judges once the detainees are under their jurisdiction.

Second. As soon as the lists mentioned in Article 3 are received, the Government Ministry, in faithful compliance with the Amnesty Law, will confirm the implementation of the detainees' release.

UNO Leaders Criticize Amnesty Decree

PA2412163291 Managua Radio Corporacion in Spanish 2300 GMT 23 Dec 91

[Text] The broad political amnesty decreed by President Violeta de Chamorro can be considered humanitarian action, but it has a political motive, stated several National Opposition Union [UNO] leaders. This presidential decree apparently benefits hundreds of citizens, but it was issued solely to protect former President Daniel Ortega Saavedra, who is facing charges filed by the office of the Managua mayor.

Several attorneys have also interpreted this presidential decree as the official government authorization to continue acts of political terrorism, including burning public offices and harassing UNO followers. The lawyers stated that the president herself is making political terrorism official in our country, because an act of terrorism will be forgiven at the end of every year.

The Bar Association of Nicaragua will hold an emergency meeting to study the effects of this presidential decree granting a general amnesty.

Presidency Ministry, Labor Unions Agreement

PA2512223991 Managua Radio Corporacion in Spanish 2300 GMT 18 Dec 91

["Agreement" between the Presidency Ministry and labor unions issued in Managua; date not given]

[Text] 1. The government and the CPT [Workers Permanent Congress] agree to resolve all labor and trade union problems and conflicts through dialogue and systematic negotiations.

2. The CPT and the government promise to improve their level of communication to increase trust and thus guarantee economic reactivation.

3. The government, based on trade union pluralism, agrees to allow all current trade unions to participate in state-run enterprises that are subject to privatization.

4. The government agrees to create a tripartite commission made up by Cornap [People's National Corporation], (NICARLINGO), and the trade and labor unions, to solve the cases presented by the CPT, Agromaq [Empresa Nacional de Maquinaria Agricola], (Lecasa), German Pomares Sugar Refinery, National Bus Enterprise, and the Juan Manuel Loredo Company.

5. The CPT and the government condemn the use of violence from any source and ratify their democratic commitment to ensure a true state of law, which will guarantee union freedom and the right to work.

6. The CPT fully supports the government's actions directed at the total disarmament of the civilian population.

7. The government will ensure the generation of income through the creation of jobs and the promotion of businesses, a priority within its economic and social reactivation policy.

[Signed] Presidency Minister Antonio Lacayo O.; Labor Minister Francisco Rosales; Silvio de Franco, economy and development minister; Jose Espinosa Navas, secretary general of the Confederation for Unity of Trade Unions; Antonio Jarquin Rodriguez, secretary general of the Nicaraguan Workers Federation; Julio Talavino C., secretary general of the independent Jose Benito Escobar Sandinist Workers Federation; Government Minister Carlos Hurtado; Education Minister Humberto Belli; Jaime Icabalceta, construction and transportation minister; Dayton Caldera, president of Cornap; Roberto Moreno, secretary general of the Central Organization of Trade Union Action and Unity; Mario Casco Velez, secretary general of the (CNMN).

The signatures of the leaders of the Sandinist unions do not appear on the document.

Mayors Report Recontras-Recompas Clashes

PA1812233791 Managua Radio Corporacion in Spanish 2300 GMT 16 Dec 91

[Text] Boaco and Chontales Department mayors met with UN officials at noon on 16 December to more fully explain the contents of a letter sent by the Let's Save Democracy civic movement requesting a multinational task force to attain real disarmament in Nicaragua.

Region 5 mayors made the request because the Army has made no headway in disarming civilians. Meanwhile, in various northern Nicaraguan areas, much tension exists because of the presence of armed men who have paralyzed transportation routes between cities and repeatedly attacked buses in Jinotega.

This tension is also caused by clashes between recontras and recompas in Boaco and Chontales Departments. These clashes concern the area mayors.

Panama

Assembly Approves Draft Constitutional Reforms

PA2412190591 Panama City CRITICA LIBRE in Spanish 23 Dec 91 p 1

[Text] The entire Legislative Assembly has approved in first debate the Draft of Legislative Act No. 1, "modifying the preamble of some titles, chapters, and articles of the Republic of Panama's Constitution."

Draft of Legislative Act No. 1 was discussed and approved in three debates during the last legislative session. However, since the draft was expanded and modified, now it must be considered a new draft.

It must be emphasized that these constitutional reforms must be approved in three debates by an absolute majority of the National Assembly, during two consecutive legislative sessions. The reforms must subsequently be submitted for popular approval through a referendum. This referendum will take place on a date to be chosen by the National Assembly.

This draft to reform the Constitution contemplates, among other things, eliminating the Army; security guarantees; issues related to education, labor, health, social security, and social assistance; and the economic strengthening of the judiciary and the Electoral Tribunal.

These reforms will permit the Legislative Assembly to judge the attorney general and the solicitor general. They also eliminate the power of the Comptroller General's Office to control the allocation of resources to other state institutions.

The reforms contemplate the creation of an Office of the People or Ombudsman, whose responsibility will be "to defend the individual and social rights of citizens as honored by the Constitution and to achieve better public administration."

The draft establishes the naming of the magistrates appointed to the special labor jurisdiction. They will be responsible for mediating all disputes arising from relations between management and workers.

According to the draft, every municipality has been allotted a percentage of the National Treasury's income by way of taxes originating in their respective districts.

The reform package reduces the number of legislators and stipulates that every legislator must have an alternate. This alternate must be elected on the same day as the legislator, and will replace the legislator when he is absent.

On 23 December the full Legislative Assembly will be meet at 0930 (first call). The second call will be at 1000.

Constitutional Reforms Adopted

PA2512170491 Panama City CRITICA LIBRE in Spanish 24 Dec 91 pp 32, 20

[Report by Roberto Cubilla]

[Text] On 23 December, the Legislative Assembly approved the first legislative act to reform the Constitution of the Republic in the second debate. The discussions of the third debate are expected to culminate at the 24 December permanent session.

The legislative act consists of two debates on the contents and structure of the reforms. The first debate on the

contents or additions and modifications to the Constitution took place on 18 to 19 December. At that time, the deputies had the opportunity to contribute to the debates with their ideas and new articles.

The second debate refers exclusively to the way in which the aforementioned reforms were presented. Modifications different from those approved initially cannot be included, according to a source from the Legislative Assembly Legal Department.

Legislator Lucas Zarak, a member of the ruling Arnulfist Party, said the 1972 Constitution has been amended several times and the last changes were introduced in 1983. According to the legislator, the last set of reforms left several regulations unfinished. These are being worked out in the current legislative act.

Zarak indicated that the main reform consists of a promise that there will not be an army in Panama.

He said the reforms give definition to the Electoral Tribunal and the judicial branch so they can function responsibly, in keeping with the law. These institutions will receive the necessary resources so they can guarantee clean elections and real administration of justice.

With respect to the Electoral Tribunal, the reforms are aimed at allotting the necessary budget to that institution and defining some mechanisms that will leave no room for doubt regarding the results of future elections in the country.

The legislators are expected to discuss the constitutional reforms in the third debate on 24 December. Afterward, they are expected to discuss the tax reform bill and the government's budget for fiscal year 1992.

Comptroller General Freezes Noriega Accounts

PA2512180791 Panama City EL PANAMA AMERICA in Spanish 24 Dec 91 pp 1A, 2A

[Text] The Comptroller General's Office ordered the freezing of accounts and assets belonging to officials of the former government, including General Manuel Antonio Noriega, former President Francisco Rodriguez, and former Finance Minister Menalco Solis. The former government officials are being investigated in regard to irregularities in the disbursement of $12.6 million from the Finance Ministry's Operating Fund.

In Resolution 510, Comptroller General Ruben Dario Carles also requested legal action against Azael Purcait, Julio Shaik, Gilberto Perez, Rafael Mezquita, Abdiel Julio, Dagoberto Tunon, Modesto Lopez, Norma de Amado, Carlos Garcia Molino, Ana Isabel de Maduro, Mercedes Davalos, Luis A. Tunon, and Editora Renovacion (ERSA).

An audit showed that the irregularities consisted of disbursements for millions of dollars used for purposes other than those for which the Operating Fund was created. In addition, no documents were found to justify those payments.

The Comptroller General's resolution referred to the individuals involved as possible cases in which state property may be recovered and ordered an investigation to determine each one's responsibility.

The Comptroller General reported payments for $1,289,345 made to ERSA, which were assigned to "loans it (that enterprise) had with the National Bank." Other funds were transferred to the National Treasury.

Carles ordered the Public Registry to restrict the sale of any property owned by these former government officials and notified the various banks in the country, ordering the freezing of deposits, funds, valuables, and security boxes kept by the banks in their names.

Carles announced that from here on the Directorate for the Recovery of State Property (DRP) will be in charge of the respective investigations.

The Operating Fund was created in 1981. Disbursements of approximately $100 million were made from it. The ministers and deputy ministers of finance of the former regime were responsible for handling that account.

Argentina

Menem Criticizes Trustee's Actions, News Media

PY2412221891 Buenos Aires BUENOS AIRES HERALD in English 24 Dec 91 pp 1, 11

[Text] (DYN-NA)—President Carlos Menem yesterday rebuked the trustee of Somisa [Argentine Iron and Steel Joint Association] steel company, Jorge Triaca, for the purchase of five million dollars in luxurious office space at a time when the country is trying to reduce its deficit.

But he also made it very clear he would stand by all Cabinet members and advisers as long as they were not proven guilty of fraud or other charges.

Menem said Triaca, the head of Somisa which has cut back severely on personnel and is attempting to privatize the money-losing concern, created a climate of "irritation" by the allegedly irregular purchase.

"The timing and the decision of the purchase were not correct," Menem said in a news conference, adding that Triaca, an old friend and political ally, "will have to suffer the consequences" if he is shown to have taken part in any wrong-doing.

During the press conference yesterday morning after an official ceremony at Border Guard headquarters, Menem lashed out at a group of journalists and accused one of asking "tendentious questions."

Asked whether or not the government could afford the five million-dollar purchase, Menem snapped: "Give me a break."

"This is not such a big deal...why is such a fuss being made over five million dollars, when the state, with property sales alone, is filling its coffers with huge sums of money?"

Menem became flustered for a second time when questioned over the 3,100 personnel dismissals ordered by the Somisa trustee: "What you are practicing is demagoguery, in its cheapest form," he told the reporter.

"Why not ask me about the good things, why not ask about the growth of Argentina?"

With far less tempered views concerning Triaca's involvement in the controversial purchase, Governor Eduardo Duhalde called the Somisa trustee's actions "outrageous."

Triaca, he said, cast "shame upon Somisa, the town of San Nicolas and Ramallo, and the residents of Buenos Aires and Argentina, all of whom expect those with important duties to respect the people."

Duhalde said that "from the legal point of view and the facts," the purchase of the new offices was "outrageous, because it's inconceivable that a company with problems like Somisa could afford a building like that."

Spokespersons for Triaca told reporters yesterday that the trustee would resume his duties either next Thursday or Friday, after resting for eight days in the interior of the country. At that time, they continued, "he will meet with the president immediately."

Solicitor-General Aldo Montesano Rebon told journalists that the courts were investigating not only the offices purchase, but also large payments made towards "decoration, floral arrangements and other unusual costs. [no closing quotation mark as published]

"The most important thing," said Montesano Rebon on Radio Mitre, "will be to establish whether the financial status of a company that can't pay wages, has in its coffers the funds necessary to make such a purchase."

Somisa's in-house lawyer, Miguel Manuel Padilla, asserted that "there has been no irregularity whatsoever" committed on the part of that company.

In defense of the purchase, Somisa authorities claimed through a press release that they bought the offices to save money because their former headquarters was "too expensive and too large to maintain." They said the purchase of new offices in a building in the Catalinas Norte complex was due to "a situation of financial straits afflicting the company and the need to reduce operating costs and liquidate nonprofitable assets."

The company contended moreover that the investigation was the result of a complaint of UOM metal workers union to retaliate against Somisa for some 3,000 recent dismissals.

Defence Minister Antonio Erman Gonzalez, on the other hand, suggested that Triaca should resign "if he is found guilty of any political, administrative or legal offense" in the purchase of office space.

Similarly, Justice Minister Leon Arslanian anticipated that the Somisa trustee "will certainly be put on trial" if illicit dealings were made in the purchase.

Menem meanwhile tried to shift attention from the political impact of the investigations to the recent successes of his government.

"While the five million dollars spent may seem scandalous for some, we must not lose sight of all the good that's been done in Argentina this year."

Likewise, the president considered that acts of corruption linked to certain government officials are "small problems" in comparison to more "interesting" news like the drop in beef prices or 1.5- million dollar reduction of the foreign debt due to a drop in interest rates in the United States.

Trade Secretary Reports Official Trade Figures

PY2412222291 Buenos Aires BUENOS AIRES HERALD in English 24 Dec 91 p 5

[From the "Business World" column]

[Text] (DYN)—Argentina's trade surplus for 1991 is expected to be between 3.5 and four billion dollars, Trade Secretary Juan Schiaretti said yesterday. Exports for the first ten months of the year were 9.9 billion dollars while imports were 5.9 billion, according to official figures. Capital goods imports rose from 700 million dollars in 1990 to 1.8 billion this year, while consumer goods imports totalled between 700 and 800 million dollars during 1991, Schiaretti said.

Brazil

Collor Administration Popularity Declining

PY2412223491 Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Dec 91 Section 1 p 8

[Report by Josias de Souza, Brasilia bureau executive director]

[Summary] President Fernando Collor has lost all the popularity he gained in the principal capitals during his presidential campaign. After the electoral campaign 65 percent of the people in the 24 capitals believed that his government would be good or excellent, but now, 21 months later, 63 percent of people in the same capitals have termed his administration bad or very bad. Polls carried out by Datafolha between 2 and 6 December show that only 8 percent of the people termed his government good or excellent.

The capital that likes Collor the least is Florianopolis, with 74 percent of the people calling his government bad or extremely bad. In Maceio, Collor's birthplace, 49 percent of the people termed his government bad or extremely bad. In Salvador, 70 percent of the people surveyed called his government bad or very bad.

Disapproval of Collor's government is higher among the better educated and better paid people. The index of those who claim that Collor's government is bad or extremely bad is 72 percent among people with higher education and 67 percent among those who earn over 10 times the minimum salary.

Health Ministry Audit Finished; Cuts Announced

PY2012114491 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 19 Dec 91

[Speakers identified by screen captions]

[Text] The Brazilian Federal Police will investigate some of the charges of mismanagement against the Health Ministry. It will conduct two investigations to establish those responsible for frauds with bids. All the directors of the National Health Foundation [FNS—Fundacao Nacional de Saude] and the Central Medical Supplies Exchange, Ceme, have been dismissed. Health Minister Alceni Guerra today revealed the results of the audit into Health Ministry purchases.

[Begin recording from Brasilia] [Unidentified reporter] Early this afternoon Health Minister Alceni Guerra delivered to President Fernando Collor the results of the audit into the 70 bids that the Health Ministry held this year. The meeting between the president and the health minister lasted a little over 30 minutes. Back in his office later this afternoon, with Federal Police Chief Romeu Tuma standing beside him, the minister announced that the Federal Police will investigate two cases: the purchase of overpriced linen for the Praia Grande Santa Casa Hospital in Sao Paulo and the purchase of equally overpriced inhalers by the FNS.

The minister also announced that all FNS directors, including its President Isabel Stefano, and all Ceme directors, with the exception of chairman (Jose Atinovo), have been dismissed. No charges were brought against them. Administrative investigations will be conducted into the purchase of bicycles, backpacks, umbrellas, stethoscopes, vehicles for the Ceme, foodstuffs for the National Food and Nutrition Institute, INAM, and purchases ordered by the minister's office.

Not one single person has been charged in any of these cases. All the findings will be sent to the office of the national attorney general and to the National Accounting Office, TCU. The minister said that new mechanisms will be established to oversee bids.

[Guerra] Today I appointed a special group to oversee all the bids that the Health Ministry may call from now on. [end recording]

Baldur Schubert, the current national secretary for disease control, is the new FNS president. The results of the audits conducted within the Health Ministry will not effect the investigation by the office of the national attorney general and the TCU.

[Begin recording] [Reporter Alexandre Garcia, from Brasilia] TCU President Carlos Atila believes that the results of the Health Ministry audit are simply auxiliary material that may or may not be used by the TCU seventh inspectorate that is investigating charges against the ministry. National Attorney General Aristides Junqueira said that being interested in the results of the audit does not imply approving them.

[Junqueira] We have not participated in this audit, therefore, we cannot approve it. We are interested in only two things: how much harm has been done to federal public property and whether there was criminal intent.

[Garcia] The man in charge of the Health Ministry audit that ended today was the internal affairs secretary of the Health Ministry, a position occupied by a person that the minister trusts. Because of this Jose Alves Sena,

chairman of the association of financial analysts and auditors, cast some doubts on the results of the audit.

[Alves] The secretary for audits and the internal affairs secretary have close links with the minister which hampers their actions. We respect their technical knowledge, we know that technically and professionally speaking they can do the job, but we also know they are under the thumb of the minister.

[Garcia] The report on the audit into the much-ballyhooed case of overpriced bicycles includes a lengthy dissertation on the usefulness of these bicycles for the anticholera campaign, especially in the Amazon region along the Peruvian border where the main means of transportation is usually by boat.

The report states that the contract to buy these bicycles from Pedro Stores must be canceled and an administrative investigation should be conducted. A previous audit sought to prove that buying from Pedro Stores would save the Health Ministry 1.081 billion cruzeiros.

The Health Ministry report on the deal with the Masters firm of Curitiba is barely one page long. The firm was hired at the cost of 18 billion cruzeiros to oversee the installation of Ciacs [Integrated Centers for Assistance to Children] and was scheduled to receive an advance of 450 million cruzeiros in December. The firm was hired without a call for bids, without a solvency certificate—despite the fact that one of the partners of the firm had gone bankrupt—and without the firm having a clearly specified address. The report says that the contract has been canceled but does not say who was responsible for hiring Masters.

Previously, when the minister was still defending the contract with Masters, he assumed full responsibility for it. Later, however, after charges were made, he canceled the contract. Had no charges been made, Masters would have pocketed 450 million cruzeiros of the people's money. [end recording]

National Congress Approves 1992 Budget

PY2012123891 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 20 Dec 91

[Text] The National Congress has approved the national budget for 1992, establishing 470 trillion cruzeiros for allocations and expenditures.

During a plenary session, Congress voted in favor of the full text of the proposal submitted by Deputy Ricardo Fiuza, which had been approved by the budget commission. The PT [Workers Party] and the PDT [Democratic Worker's Party] voted against the final text submitted by the leader of the ruling party in the Chamber of Deputies.

The national fiscal budget has been established at 37.901 trillion cruzeiros, according to values established in April 1991. These values will be corrected by 882.4 percent to cover the variation of the INPC [National Consumer Price Index] between April and November.

The bill that deals with the rolling over of the debts of the states and municipalities will be voted on by the Senate today, the last day of the special session. The text was to be studied this past Thursday, 19 December, by the Senate, but the congressmen created an impasse, questioning the constitutionality of the project. The senators claim that this is a matter which must be exclusively handled by the Senate.

The text of the bill has for more than a month been in the Chamber of Deputies, and even though the text was approved today, it will have to be regulated by a congressional resolution establishing the limits and conditions for internal and external loans.

Chile

Honecker 'Top Issue' at Foreign Ministry

PY1912013491 Santiago Radio Cooperativa Network in Spanish 2200 GMT 18 Dec 91

[Text] The presence of former GDR leader Erich Honecker in the Chilean Embassy in Moscow remains the top issue at the Foreign Ministry. Acting Foreign Ministry Under Secretary Carlos Portales today held busy meetings with high-ranking Foreign Ministry officials. He also kept in constant contact with the Chilean representative in Moscow.

In the middle of this atmosphere, Portales informed us about an important meeting of Latin American ambassadors in Moscow, during which the Honecker issue was analyzed.

[Begin recording] Mr. Honecker remains in our mission in Moscow. The Russian Government has not yet released a safe-conduct pass for him to leave the country. Our charge d'affaires today briefed Latin American ambassadors in Moscow on the situation that our mission is experiencing. [end recording]

We are waiting for the Russian Government to provide safe conduct with sufficient guarantees for Erich Honecker to leave the country, Portales said.

The Latin American diplomats, he said, were much concerned about the prolonged situation of Honecker, who requested asylum for humanitarian reasons, Portales added.

[Begin recording] The Latin American ambassadors in Moscow work in close contact with each other. This is a demonstration of concern over and interest in the situation that our mission is experiencing. [end recording]

The meeting of Latin American ambassadors to Moscow certainly reflects concern and implies support for the treatment the Chilean Government has given to this subject, Portales noted. It shows support for the conventional, legal procedure that has been followed in this

case. Yet it cannot be considered an expression of political support, he concluded.

Silva Wants Diplomatic Solution

PY2412131891 Santiago Radio Chilena Network in Spanish 1100 GMT 24 Dec 91

[Text] Foreign Minister Enrique Silva Cimma has stated that the Honecker and arms export cases have reached a status quo. Silva Cimma resumed his duties after a period of rest, during which these events took place.

He said that these situations are a normal part of the diplomacy of nations. He added that negotiations to solve the case are being conducted with caution and moderation and without stridency as it is the characteristic of the policy implemented by President Aylwin.

Silva Cimma believes that Honecker's case will be solved taking into account humanitarian and legal factors. He noted that the best diplomatic manner should be sought without considering whether it is the most expeditious one, because what is important is finding an appropriate solution.

He said that the possible dismissal of Clodomiro Almeyda as Chilean ambassador to the Soviet Union, as reported by some sources, is mere speculation.

[In the same newscast, Christian Democratic Party Deputy Guillermo Yunge is reported as saying: "I think that it is appropriate for Almeyda not to return to Moscow as ambassador, because he has publicly opposed the political position of President Aylwin regarding asylum for Honecker."]

Defense Communique on Weapons Shipment

PY2512125091 Santiago EL MERCURIO in Spanish 14 Dec 91 pp A1, A24

[Text] Chile has suspended its weapons exports to all countries, Defense Minister Patricio Rojas officially announced yesterday afternoon.

He released a four-page communique explaining the records his ministry has on the 11,320 kg shipment of weapons, packed in 36 boxes, that was sent from "Comodoro Arturo Merino Benitez" airport on 30 November and that was confiscated in Budapest, Hungary.

In the official communique, Rojas states that the negotiation took place between a representative of the Sri Lankan Army and Chilean Army Ordnance (Famae), and that according to law, an export permit was required before the National Defense Ministry issued Resolution No. 470 authorizing Famae to export war materiel to Sri Lanka addressed to that country's Army General Garrison.

Official communique

Minister Patricio Rojas Saavedra read the communique at 1700 yesterday in his office in the presence of about 20 journalists.

"1. In November 1991, a representative from IVI [expansion unknown] Finance and Management Inc. [preceding three words in English], with addresses in Panama and Luxembourg, presented himself in Chile with documents accrediting him as a Sri Lankan supplier authorized by the Sri Lankan ministry.

"2. The purchaser expressed an interest in purchasing war materiel for the Sri Lankan Army General Garrison and submitted an alleged certificate of final destination issued by the ministry of that country.

"3. Once the types of weapons desired were identified, the purchaser and Famae agreed on a cash operation for each shipment.

"4. To firm up this weapons sale and export operation, Famae submitted, as required by the Law on Control of Weapons, a request dated 19 November to the National Mobilization General Board.

"5. In view of this requirement, the National Mobilization General Board asked the National Defense Ministry on 19 November to resolve Famae's request for the export of the requested weapons.

"6. Following regular procedures in this type of request and given that the Law on Control of Weapons does not call for Foreign Ministry intervention, but gives the Defense Ministry the authority to control this type of export, information was obtained about the country named as the final destination—Sri Lanka—stating that there is no international restriction on that country nor a UN embargo or situation that might discourage agreement on the petition.

"7. With this information on hand, the National Defense Ministry authorized Famae, through Resolution No. 470, to export to the Republic of Sri Lanka war materiel intended for that army's General Garrison.

"8. The war materiel authorized for export was made up of a variety of weapons, all of them conventional weapons, which includes materiel that is approaching the end of its useful life, but which has been well-maintained, as well as recently manufactured materiel.

"9. The press report issued in Hungary referring to the discovery of weapons coming from Chile was learned about later; this prompted an investigation by the National Defense Ministry.

"10. In view of these facts, the following evidence has been verified:

"A. On 30 November, 36 boxes weighing 11,320 kg were shipped on board a U.S. Boeing 707 N750 FW owned by Florida West Airlines.

"B. The boxes were registered at Customs as 'State's equipment,' worth $203,330. They were shipped at Customs by a Famae customs officer who acted as Customs' special representative.

"C. The final destination of the shipment was Hungary, and it was addressed to Mr. Gunter Letnheuser, the purchaser who conducted negotiations with Famae, which, as already has been noted, stated that the shipment was bound for Sri Lanka.

"D. A report issued in Hungary stated that the 36 boxes that were received and checked in that country contained the same type and amount of war materiel that was shipped in Chile. It said that a document describing the shipment as 'humanitarian aid,' and another one describing it as 'war materiel,' reportedly were detected.

"11. In view of these facts, the Defense Ministry reports to the public:

"I. The Chilean Government has not authorized the export of weapons to Yugoslavia at any time in full support for UN Security Council Resolution No. 713 declaring an embargo on weapons to this country.

"II. The shipment of weapons from Chile to Hungary represents an unauthorized export of war material unless further evidence shows that it was a correct procedure.

"III. The suspension of war materiel exports to any country has been ordered.

"It also has been decided to submit to control and a new organization the procedure on analysis, verification, and recommendation before the adoption of the ministry's resolution included in the Law on Control of Weapons, which authorizes the export of war materiel.

"IV. This information was submitted to the appropriate authorities. In light of these events, it has been decided to order the Military Ordnance and Engineering Command (CIMI) to conduct an investigation into this case. The CIMI will be in charge of investigating administrative procedures so that the appropriate charges can be made against those people, civilian or military, who were involved in this affair," the official communique concluded.

In response to journalists' questions, Rojas said the investigation will reveal whether the documents were forged or whether there was administrative fraud in the shipment of war materiel abroad.

Concerning the fact that the shipment sent to Hungary carried the name of the Military Hospital, Rojas said that this institution has nothing to do with this case, consequently its participation was completely ruled out.

Economy Minister Returns to Work After Accident

PY2412012491 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 23 Dec 91

[Text] Economy Minister Carlos Ominami returned to work today following 20 days of rest as a consequence of a serious car accident. With visible signs of having been in an accident, Ominami today gave his first news conference in three weeks. He said savings and investments must be increased in 1992 and that 1991 has been a positive year for the national economy, although there is still a lot to do.

[Begin Ominami recording] There are a few areas on which the Chilean economy must still make an effort. There are fields on which the government must work hard, especially in promoting savings and investments. These are permanent areas on which we must work intensely in 1992. [end recording]

He said that during the first half of January, the government will release several measures to encourage savings, especially at the family level.

Peru

Fujimori Talks About Oil, Foreign Investments

PA2412134291 Lima Panamericana Television Network in Spanish 0100 GMT 23 Dec 91

[Text] President Fujimori spoke on 22 December about the Belco problem. The previous government nationalized that enterprise, leaving a debt of $250 million. President Fujimori made statements before leaving for Puno with his family to spend Christmas there.

[Begin Fujimori recording] Belco was expropriated, it was transformed into Petromar and, since that date, we have not ever agreed on a solution. [end recording]

This problem started six years ago with the so called (Pagnaso), when the previous government decided to suspend the petroleum contracts in effect at that time. Belco was nationalized and Petromar was created. Belco never received any compensation for the operation.

The problem was not only the more than $250 million debt, but also that many Peruvian products lost preferential and favored treatment on the U.S. market.

President Fujimori announced on 22 December the final solution to this delicate problem.

[Begin recording] [Fujimori] We have arrived at a solution that we consider very favorable. We have agreed on a total sum of $185 million, which is supposed to cover all the interest that would have been generated since 1985. This $185 million will be paid in parts. The first payment will be for $40 million, when all the documents are signed, plus an additional amount from the sale of

Petromar, through an international bid. The balance will be paid over seven years, with 7 percent annual interest, in seven parts.

Thus, we have solved the third great problem that was causing a lot of friction in U.S.-Peruvian bilateral trade.

[Unidentified reporter] Mr. President, what risk was there to Peruvian trade if this problem had not been solved on time?

[Fujimori] We were about to have the famous Hickenlooper-Gonzalez amendment applied to us. This would have greatly damaged our foreign trade, particularly Peruvian exports to the United States. For instance, there would have been limitations on our product exports and, besides, we would have stopped enjoying some tariff benefits.

[Second unidentified reporter] Mr. President, does this solution to the Belco problem open the possibility that our country may soon see investors in the oil sector for exploration and drilling works?

[Fujimori] That is correct, but we already have enough investment in the petroleum sector. However, it also, and mainly, opens possibilities for investment in other fields. The atmosphere of trust has practically been restored, if we may say so. That was one of the deterrents for foreign investors, mainly for U.S. investors, and even for Shell investments. Therefore, we expect a much greater flow of investments in the coming months. [end recording]

Senate President Rejects Fujimori Remarks

PA2312181091 Lima Global de Television Network in Spanish 0100 GMT 21 Dec 91

[Text] Senate President Felipe Osterling described President Fujimori's harsh remarks against various institutions, including the Congress, as irrational, adding that they could destabilize the democratic system.

Without hiding his disgust, Osterling said he is willing to meet with Fujimori at the Presidency to give him any explanation he wants.

[Begin Osterling recording] I regret President Fujimori's recent remarks against Congress, which I believe are irrational. They are irrational because on 20 December the Legislative and Judicial Branches were severely attacked. Such actions destabilize the democratic system we have been trying to consolidate since 1980. If President Fujimori has any doubts regarding the Parliament, as president of the Senate and currently president of Congress, I am willing to go to the Presidency to clarify anything he wants. He should not generalize, he cannot question a perfectly clear budget. The 1992 budget is similar or identical to the 1991 budget, with an inflation rate of 61 percent, according to statistics from the Ministry of Economy and Finance. [end recording]

Congress Approves TIAR Reform Protocol

PY2412024091 Lima LA REPUBLICA in Spanish 17 Dec 91 p 9

[Text] Peru will once again become one of the 28 members of the Inter-American Reciprocal Assistance Treaty (TIAR) following a decision by Congress which approved the "TIAR Reform Protocol."

The TIAR, which is also known as the San Jose Protocol, was signed in Costa Rica on 26 June 1975 by 28 OAS members.

The TIAR functions as an OAS military organization and establishes that a military attack against a country of the Americas is considered an attack on all OAS members.

Therefore, if a country is attacked there is a commitment by other members of the organization to counteract the extracontinental aggression.

Peru would have been left out of this treaty if Congress had not approved the reform protocol because 22 January 1992 was the deadline for the three years given to ratify former President Alan Garcia Perez' 1989 denunciation in protest of the U.S. invasion of Panama.

Deputy Luis Alvarado Contreras, a member of the Chamber of Deputies Foreign Relations Committee, said that Peruvian participation in the TIAR was suspended due to a denunciation by former President Alan Garcia based on Article 107 of the Constitution, which says that denunciation of a treaty or protocol is the right of the president, with the consent of Congress.

In this regard Alvarado said that Peruvian participation in the TIAR was suspended for almost three years.

Alvarado added that Congress approved the San Jose Protocol on the condition that Peru be allowed to call on the OAS to modernize the treaty's position on any attack against any of its members resulting from an invasion of its territory.

Alvarado said: "Despite our own objections, we as APRA [American Revolutionary Popular Alliance] members voted for its approval in support of continental integration."

He said that Peru will continue to belong to the TIAR and that it demands more active participation by the signatory countries. Alvarado added: "This participation was not observed in the U.S. aggression against Panama or in the Malvinas war."

Rebel 'Terrorist Offensive' Leaves 92 Dead

PA2512200091 Paris AFP in Spanish 1823 GMT 25 Dec 91

[Text] Lima, 25 Dec (AFP)—At least 92 persons have died in Peru in the midst of a large terrorist offensive launched by rival groups, Shining Path and the Tupac Amaru Revolutionary Movement (MRTA), during the

Christmas season in different parts of the country, according to a preliminary police report issued 25 December.

The victims of violence are: Seven soldiers, six policemen, 16 peasants, nine civilians, three students, three businessmen, one former mayor, 40 MRTA rebels, and seven Shining Path guerrillas, according to the report.

The terrorist actions have resulted in indiscriminate takeovers of towns and armed clashes with the public forces in the Amazonia and Andean regions, lootings of commercial establishments, destruction of electricity pylons, and attacks on two diplomatic missions in Lima.

This is the largest offensive recorded during the Christmas season since the Maoist group Shining Path began to sow terrorist violence in May 1980. Four years later, "its revisionist enemy," the pro-Guevara MRTA, also began this type of action. These acts have resulted in more than 24,000 recorded deaths.

The largest violent acts by the MRTA in the past six days have been reported in the Departments of San Martin (Amazonia), by Shining Path in Ayacucho (southeast Andes), and by both terrorist groups in Lima, which has been plunged into drastic energy rationing.

Relatives of Leonor Zamora, former Ayacucho mayor and a famous defender of human rights, have denounced the paramilitary groups' activities. Zamora was murdered on 21 December near the Plaza de Armas in Ayacucho, approximately 575 km southeast of Lima.

The Ayacucho Police Department considers it possible that Zamora's assassination was perpetrated by paramilitary groups, as reported by her relatives.

In what appears to be a competition to increase the violence of their activities, the MRTA groups unleashed on 20 December a series of guerrilla attacks in Lima and on 22 December in San Martin, which has a population of 400,000 people who now have serious land communication problems with the capital.

The MRTA appeared in San Martin in 1984. Since then it has tried to maintain uniformed guerrilla columns with military ranks, similar to those proposed by the late Argentine guerrilla Ernesto "Che" Guevara in the 1960's.

According to the local press, the MRTA activities in San Martin were detected by the population on 22 December. The people observed the movements of 300 guerrillas, who seized small towns. No abuses were reported.

On the evening of 23 December, the Guevarist guerrillas occupied the town of Juanjui (population 20,000), killing five policemen and five civilians. Several public and private offices were destroyed.

The MRTA also occupied other towns with more than 10,000 residents, such as Soritor and Saposoa. Seven soldiers and 40 subversives died in clashes with the armed forces in that area, according to a communique issued by the political-military command in San Martin.

The subversive actions in the Amazonian area are confusing. While the soldiers point out that they are pursuing the guerrillas with helicopter gunships, other news media report that residents of San Martin Department are very frightened over new terrorist actions.

The MRTA on 24 December looted small businesses in downtown Lima and its suburbs. A merchant was killed when terrorists attacked his store on Emancipation Avenue shortly before Christmas Eve. Other mobs tried to follow suit in other stores.

The MRTA Christmas offensive was launched on 20 December when they carried out attacks with homemade bombs, causing no major damage, against the embassies of Spain and France in Lima, and against public and private offices, especially bank branches.

Meanwhile, Shining Path continues its traditional occupation of villages in the southeastern Andean region. It continues to murder peasants, and killed two students who refused to join its ranks, which brings the casualty count to more than 20.

Four people, three in Lima and a boy in Ayacucho, died between 21 and 22 December while handling explosive devices of unknown origin. A policeman was killed defending the Atarjea Plant, which processes potable water for the capital. A merchant of Chinese descent was killed in Huaral, north of Lima.

This wave of violence, which is unusual during the Christmas holidays, is taking place amid police reports carried by the local media that Shining Path and the MRTA are facing a profound state of division. The two terrorist groups have denied this.

Some analysts believe that Shining Path and the MRTA react with added violence when the Antiterrorist Police reports on the internal problems they are facing, the desertion of militants, or disputes among their leaderships.

Army General Staff Chief Takes Office

PA2412002191 Lima Global de Television Network in Spanish 0100 GMT 20 Dec 91

[Text] Division General Nicolas De Bari Hermoza Rios is the new chief of the Army General Staff. He was recognized as such at a military ceremony attended by President Alberto Fujimori and ministers on 19 December. The event was held at the Mariscal Caceres Plaza at the Army general headquarters. The new chief of the general staff replaced Pedro Villanueva Valdivia. Nicolas De Bari Hermoza Rios delivered a vibrant speech which caught everyone's attention because it was in line with the views of the president. He announced

that one of his first acts will be to declare his income tax declaration so he will have real moral authority in his institution. He also promised honesty in all his actions and stated he will be loyal to the mandates of the president, commander in chief of the Armed Forces. The new chief of the Army General Staff also announced that regulations regarding the intelligence unit will be issued immediately.

The division general was a member of the 1 January 1958 graduating class of the Chorrillos military academy. He was born in Coronel Portillo Province. He is 57, married, and during his 33 years in the military service, has been director of the Infantry School and of the Higher War College and military attache in Peru.

Leaders' Differences Cause Alleged MRTA Spit

PA2312135591 Hamburg DPA in Spanish 1456 GMT 20 Dec 91

[Text] Lima, 20 Dec (DPA)— The Tupac Amaru Revolutionary Movement (MRTA), which has operated in Peru for a decade, split up on 17 December, according to the newspaper ULTIMA HORA's 20 December issue.

The newspaper reports that 20 leaders of the Free Fatherland Front national movement, lead by Cecilia Oviedo, resigned because of open "political and programmatic" differences, according to a former member of that group.

The source noted that the split by Free Fatherland means the resignation of Lucas Cachay as president of the Defense of San Martin Front and the distancing of leaders from the Mining Federation, as well as other labor and neighborhood organizations.

The source added that MRTA leader Victor Polay Campos, who escaped from jail in July 1990, is opposed to a political or legal solution, and this is one reason for the division.

After resigning from the Free Fatherland movement, the sector loyal to Cecilia Oviedo called an emergency meeting to set out new political horizons.

The MRTA, whose initial principal leaders were Nestor Serpa Cartolin and Victor Polay Campos, rose from the union of the Northern Revolutionary Leftist Movement [Movimiento de Izquierda Revolucionaria Norte] and of Polay's Marxist-Leninist Socialist Revolutionary Party [Partido Socialista Revolucionario Marxista-Leninista].

The MRTA has been engaged in guerrilla activities in the jungle areas, including kidnappings and murders. It is also responsible for organizing the massive escape of 40 activists from the Canto Grande penitentiary in July 1990.

Central Bank Estimates 1992 Inflation Rate

PY2312135091 Lima EL COMERCIO in Spanish 12 Dec 91 p A1

[Excerpts] In an attempt to reduce economic agents' expectations, Central Reserve Bank President Jorge Chavez Alvarez said yesterday the bank will handle the monetary policy instruments for an estimated annual inflation rate of 37 percent through December 1992.

He also said that liquidity or available currency at the banks will increase as the required legal reserves at the Central Reserve Bank gradually decrease. [passage omitted]

He estimated that money printing in 1992 will increase by 32 percent and liquidity by 48 percent. [passage omitted]

In a breakfast organized by the IPAE [Peruvian Institute of Business Administration], Chavez asked businessmen to replace a speculative economy with a productive one. [passage omitted]

Blacker Discusses Shifts in Diplomatic Service

PA2212191091 Lima Panamericana Television Network in Spanish 1200 GMT 19 Dec 91

[Interview with Foreign Minister Augusto Blacker Miller by unidentified reporter at the Panamericana studio in Lima—live]

[Excerpts] [Reporter] Good morning. Thanks for coming.
[Blacker] Good morning, Rosana.

[Reporter] All of the 19 December newspapers ran headlines on ambassadors. For example, LA REPUBLICA printed: The Foreign Ministry Will Remove Ambassadors. EXPRESO prints: Drastic Personnel Reduction at Embassies; Fujimori Announces Deep Changes. ULTIMA HORA goes one step further: Revolution in the Foreign Ministry Regarding Our Diplomacy. GESTION writes: The Executive Initiates Total Reorganization of Foreign Relations Without Waiting for Authorization Requested from Congress by Dr. Osejos, President of the Council of Ministers. Dr. Blacker, what does this revolution mean? Why are these changes being made?
[Blacker] First of all, I must say we did not require special authorization, because we are not changing the diplomatic service law. This is very important, and I want to clarify it for good in order to avoid speculation. Why are these changes being made? This is what counts. The changes are being made because the world has changed. It has been changing rapidly in the past few years. For example, the dismantling of the Soviet Union is a change that greatly affected the world. The problem of the East-West debate, the problem of bipolarity in the world, where there were two great powers sharing the world, no longer exists.

The situation is now different. We have now become a unipolar world, where commercial and economic relations have taken precedence over ideological stands. Ideologies have moved to a secondary role. The countries are more concerned over how to organize themselves and how to join others in order to devote more attention to economy and trade. This is why three large regions are forming in the world. In Europe, there are two areas. In America, all of America. The Bush Initiative is the first step in the direction of uniting the American continent. Finally, there is Japan and the Asian continent. Those three blocs into which the world is being organized for the 21st century force us to prepare and organize ourselves in a similar way. This is what we are doing.

[Reporter] Before starting a discussion of the reorganization of foreign relations, let us point out that, according to GESTION, the state's reorganization has been initiated without authorization. You said this authorization was not necessary.
[Blacker] That's right. I would also like to say something important. I was at the Senate Foreign Relations Commission on 18 December, where I reported on the changes we are making. The commission members suggested to me that all these changes be presented to Congress at the next legislative session so the regulations can be amended. It is very likely that the executive will request special powers to restructure foreign relations and will include what we are doing in a new organic law.

[Reporter] When would these special powers be requested?
[Blacker] Early in April, when Congress meets at the next legislative session.

[Reporter] Not during the special session?
[Blacker] No. The special session deals with specific subjects. [passage omitted]

[Reporter] How many embassies do we have around the world?
[Blacker] About 50.

[Reporter] How many of those will be closed? I understand that a representative, not an ambassador, will remain in those countries.
[Blacker] Yes, but we are not really closing embassies. We are redistributing our personnel and appointing concurrent ambassadors in certain countries where the level or flow of economic activity does not justify maintaining an embassy.

[Reporter] What does concurrent or macroembassy mean?
[Blacker] They are two different things. Concurrent ambassadors are those appointed to a specific country who are also appointed to represent Peru in other, neighboring countries. For example, our ambassador in Germany could also be appointed to serve as concurrent ambassador in a country where we do not have an active embassy, but with which we wish to maintain relations. This ambassador would make monthly trips to that country to establish contacts with its authorities.

[Reporter] We understand that they will be located in Europe, Mexico, and Asia?
[Blacker] We are appointing concurrent ambassadors all over the world. Now, you asked what macroembassies are. Because of the new world structure and the structure that we are also trying to establish now, we are creating what we could call regional embassies to coordinate our efforts in each of the three world regions we have identified. We will have macroembassies for Europe, for America, and one for Japan and Southeast Asia.

[Reporter] What about the border areas?
[Blacker] That is something else...

[Reporter, interrupting] What will our foreign policy be on border areas?
[Blacker] That is very important. At the Foreign Ministry, we believe we should not only be trying to integrate ourselves into the rest of the world and become international, but also to practice an internal integration in the country. That is, the top priority should be to integrate Peruvians.

In this regard, we believe it is important to have Foreign Ministry representatives in each region that borders with neighboring countries. [sentence as heard] What for? To be sure that there is coordination with regional authorities, in order to prevent mistakes while achieving a fuller integration with border countries. That is our aspiration.

[Reporter] Embassies will be opened in Southeast Asia?
[Blacker] Yes, we are...

[Reporter, interrupting] Where?
[Blacker] We are considering opening embassies in five countries. They are all in Southeast Asia, because this area of the world is a very dynamic trade and economic area. It is also a potential center for investments in Peru, which we wish to develop. In President Fujimori's most recent trip...

[Reporter, interrupting] What countries are those?
[Blacker] Malaysia, Singapore, Thailand, Hong Kong—pardon, not in Hong Kong, we have a consulate there—and, I cannot recall the other country now.

[Reporter] Malaysia, Singapore, Thailand...
[Blacker, interrupting] Malaysia, Thailand, Singapore, Indonesia, and there is another one I cannot recall at this moment.

[Reporter] There is one more. There are five: Malaysia, Singapore, Thailand, Indonesia, and you cannot recall the other one. When will these embassies open?
[Blacker] They will open in the first trimester of 1992.

[Reporter] How many of the 50 embassies will be closed?
[Blacker] As I said, we will redistribute personnel. To send personnel to these new embassies in Southeast Asia, we are reducing personnel in other areas of the world.

For example, we are reducing personnel in certain embassies in Central America, Eastern Europe, and Africa. [passage omitted]

Embassies in Morocco, Bulgaria, Romania Closed

PA2612030291 Madrid EFE in Spanish 0240 GMT 25 Dec 91

[Text] Lima, 24 Dec (EFE)—As part of a plan to reorganize its Foreign Relations Ministry and prioritize economic relations, Peru decided on 24 December to close its embassies in Morocco, Bulgaria, and Romania and recall several diplomats throughout the world.

Out of the 25 diplomats and 46 embassy officials returning to Peru, the most important are Alejandro Leon, ambassador to OAS; and Jaime Stiglich, representative before international organizations in Geneva. In addition, the government relieved the general consuls in Miami, Los Angeles, and Chicago.

Last week, Peruvian Foreign Minister Augusto Blacker Miller announced the reorganization of the Peruvian foreign service. This reorganization, he said, will include recalling 110 diplomatic and administrative officials.

The new structure of the Foreign Ministry will have three central sections, whose heads were designated on 24 December. These are Roberto Villaran, deputy minister and secretary general; Luis Solari, director general for bilateral affairs, and Fernando Guillen, director general for multilateral affairs.

The new approach of Peru's foreign policy gives priority status to economic relations and a closer relationship with Europe and the Asian countries of the Pacific basin, where Peru will open permanent embassies in coming months.

Also, it is expected that the closure of other embassies in countries of Central Europe, Africa, Central America, and the Caribbean is expected to be announced in a few days. In these countries, diplomatic relations will be handled by concurrent ambassadors.

Government Establishes Two New Provinces

PY2412025091 Lima LA REPUBLICA in Spanish 16 Dec 91 p 3

[Excerpt] The government has decided to create the provinces of Moho and El Callao in the Moquegua-Tacna-Puno region, for which it promulgated the respective laws in the official gazette, EL PERUANO.

Law 25360, which creates Moho Province, states that as the capital of Moho Province, the town of Moho is hereby raised to the status of a village.

This province will be composed of the following districts: Moho with its capital, Moho; Conima with its capital, Conima; Tilali with its capital, Titali; and Huayrapata. The latter two districts were created by this law. [passage omitted]

Venezuela

Central Bank President Reports 1991 Statistics

PA2412183391 Paris AFP in Spanish 1927 GMT 23 Dec 91

[Text] Caracas, 23 Dec (AFP)—Venezuelan Central Bank (BCV) President Pedro Tinoco disclosed on 23 December that the Venezuelan Gross National Product (GNP) increased in real terms by 9.2 percent during 1991. He also revealed that inflation, currently around 30.7 percent, has started to slow down.

Mr. Tinoco pointed out that by year end the petroleum sector will have increased by 9.9 percent. It will increase by 8.6 percent in nonpetroleum activity.

BCV has estimated that GNP growth promoted by the public sector will record a slowdown during 1991, with a 8.7 percent growth in comparison with the 9.3 percent growth recorded in 1990.

In contrast, private sector growth rate accelerated from 3 percent in 1990 to 9.4 percent in 1991.

In 1990, the Venezuelan GNP was 5.3 percent and the annual inflation rate was 36.5 percent.

According to Mr. Tinoco, the inflation rate slowdown came about as result of liquidity control accomplished by implementing a restrictive monetary policy, and by expanding external supply of goods and services.

The report also says that one priority for the 1992 economic policies will be a further reduction of inflation, which the BCV expects will be below 20 percent at the end of 1992.

The Venezuelan balance of payment for 1991 will close with a gross surplus of $2.424 billion versus the $3.226 billion for 1990.

The current account surplus was $1.055 billion, and that of the capital account was $3.019 billion. This means there was a $2.03 billion growth in international reserves.

The international reserves balance stands at $13.232 billion, of which $8.878 billion are operating reserves.

The surplus in the current account was less than in 1990, when it registered $7.387 billion, due to an 11.2 percent drop in oil export revenues and a 55.6 percent increase in imports, Tinoco explained.

Income from nontraditional exports showed a 17.2 percent reduction.

Tinoco estimated that there was an $800 million return of capital to Venezuela in 1991.

The Venezuelan foreign debt, whose yearly interests total $1.4 billion, currently stands at $17 billion, the BCV president said.

According to early BCV estimates, the GNP will show a 1.3 percent increase when public sector financial activities close for the year. This is basically due to revenues from the privatization of Venezuelan International Airlines and the state telephone company.

The public sector received $1.45 billion in loans from multilateral and bilateral credit sources. These funds were used to finance public company reforms, structural adjustments, and commercial policy programs.

Venezuela also received additional funds from its foreign debt restructure agreement with its creditors, which totaled $295 million.

Agriculture had an effective growth of 6 percent (-1.3 percent in 1990). Manufacturing grew 5.4 percent (5 percent in 1990), and mining suffered a drop of 4.1 percent (+3.9 percent in 1990).

Construction grew by 12.3 percent (2.5 percent in 1990), while the financial and insurance sectors suffered a 3.5 percent drop (+12.9 percent in 1990).

Finally he reported that 9 percent of the work force in the country was unemployed, versus 10 percent in 1990.

Labor unions and opposition forces report that the unemployment rate is higher, and that one out of three Venezuelans is out of work or underemployed.

* Editorial Warns of Financial Drain on PDVSA

92SM0151A Caracas EL UNIVERSAL in Spanish Section 1 28 Nov 91 p 5

[Editorial by Julio Camino]

[Text] PDVSA [Venezuelan Petroleum, Inc], the only publicly owned company which remains "viable," is running the risk of collapsing. The state is squeezing its resources dry, and there are no new investments for the extraction of the small amounts of light crude oil which remain. Development of medium and heavy petroleum did not begin in time, and some PDVSA operations have to obtain loans from commercial banks to pay for trusteeship services.

This is a subject which everyone in the industry is talking about but which, as always, does not appear in the analyses of the communications media. The reason could be the isolation of the petroleum industry from the rest of the Venezuelan people.

The fear of a petroleum collapse is greater than that of a military coup d'etat. If there is no money, how could a system of democracy as expensive as ours be maintained? The danger of a petroleum collapse could have been the justification for holding down the "petroleum agitation" which was about to break out about two months ago, when the president of the company timidly submitted his letter of resignation to the president of the republic. Nevertheless, he was supported by the board of directors of the holding company, the boards of directors of the operating companies, and the general managers and line managers of each one of them.

A petroleum expert told me on that occasion: "We can survive a transportation strike or a strike by garbage workers or teachers. However, it would be very difficult to withstand a petroleum strike." And he is right, since the petroleum wells do not flow by themselves. The government bureaucracy cannot handle the management of a complicated and to some extent efficient network of wells. You can bring soldiers out into the streets to handle public transportation but you cannot use them to manage the extraction of oil.

Where is PDVSA going? At the beginning of this article we said that it was heading for a collapse. The state—and I am not referring to any administration in particular—has been "eating up" the cash of the petroleum industry, without allowing the industry the development which it must and should have carried out. The 67 percent which it pays in income tax is not enough. Tax collection amounts to 82 percent, using the so-called international reference value. That 82 percent applies to all of the subsidiary companies. No business could be profitable with the small profit margin and the impossibility of going into debt. If we add to that the voracity of mayors and state governors in imposing on PDVSA that fashionable little term called "social costs," the result is more than alarming.

The ordinary reader does not know how PDVSA is managed. The industry suffers from a so-called "low profile," inherited from the multinational companies. Its executives, managers, and other employees are trained not to engage in polemics. All of them must accept what the supervisory body—the Ministry of Energy and Mines—indicates until a problem is resolved at a high level. This low profile attitude by petroleum executives is called "nonbelligerent" in the civil service. It is the same attitude displayed by members of the armed forces, except for the fact that PDV[illegible]es not have the weapons or the history.

As a result of all of this PDVSA allow[illegible]e government to squeeze its udders a little more each [illegible] and to finance a monumental and monstruous budgetary deficit, which all of the good economists and communicators talk about, while the president acts as if he were deaf.

A petroleum collapse will probably be just around the corner when the light petroleum wells begin to dry up. With no money to inject the chemicals which make the crude oil flow the extraction of oil will be paralyzed. Already the Maraven field has been affected in this way. In the same way the development of medium and heavy crudes needs new technology. The extraction of these types of crude is relatively new, and there is not enough experience with it. Nevertheless, we have not made as much progress in those areas as was advisable.

I have no desire to alarm people, and still less to be impertinent and to break up the "party." The least that a responsible person who is also a writer could do is to

sound the alarm about what other people have been calling attention to. Our democracy is petroleum based, built on all of those millions of petroleum dollars. It is not a democracy like that of our neighbor, Colombia, which can be maintained despite a guerrilla war, the narcotics traffic, paramilitary organizations, etc. Even though we are a country rich in resources, we are a poor country. The per capita, annual income of the Venezuelan people is in the order of $3,000, while in any European country it could be about $15,000.

As we are a petroleum democracy, it is at least necessary to be careful about what distinguishes us from any underdeveloped country. Some day PDVSA, like the cows which are tired out from having their udders milked, will not give any more milk. Let us not wait until that day comes.

* COPEI Leader Seeks Tachira Governorship

92SM0151B Caracas EL DIARIO DE CARACAS in Spanish 28 Nov 91 p 30

[Interview with Abdon Vivas Teran, leader of the COPEI—Social Christian Party—by Orlando Utrera; place and date not given; first four paragraphs are editorial introduction]

[Text] On 27 November Abdon Vivas Teran, the COPEI [Social Christian Party] leader, announced his decision to be a candidate for governor of the State of Tachira. In this campaign he would reportedly have the support of Caldera and Fernandez and the opposition. Nevertheless, he hopes to convince Walter Marquez to support him in an effort to end 25 years of AD [Democratic Action Party] control in that region.

On 27 November Abdon Vivas Teran, the COPEI leader, confirmed that he would be a candidate for governor of the State of Tachira in an alliance of opposition groups which reportedly has the objective of ending 25 years of AD control of that region, now affected by unemployment and critical poverty.

In this campaign Vivas Teran will have the support of Eduardo Fernandez, secretary general of COPEI, and of former President Rafael Caldera, who in different ways have expressed to him their enthusiasm for his candidacy in the state in which he was born. At the same time he is seeking an understanding with Walter Marquez, a leader of the MAS [Movement Toward Socialism] and a man whom he considers a key to the future of the State of Tachira.

Regarding national matters, he sharply criticized the economic policies followed by President Carlos Andres Perez, also a native of the State of Tachira. He said that President Perez, although using the argument that he was bringing the country to a form of open capitalism, in fact is bringing the country into a form of underdeveloped or unproductive capitalism, as a consequence of the actions which he has taken on the national economic scene.

Abdon for Governor

On 27 November Deputy Abdon Vivas Teran was asked about his reasons for becoming a candidate for governor of the State of Tachira. He replied as follows:

"The State of Tachira is calling for an urgent effort to redefine the lines of its economic and social growth, as well as its political modernization and regaining its traditional position of prestige within the national community. Its impoverished masses and its middle class declining into poverty need effective action from the state. Therefore, to play a role in this complex and exciting situation, I have offered my name to the people of Tachira as a candidate for governor of the state.

"In this effort I have transferred from national to regional politics as part of a long-term program and with the consequence of dedicating myself to the cause of the State of Tachira. I have even changed my business residence to be able to deal with the needs of the community. This effort has met with a warm response by all groups in the region, without distinction of political and ideological creed.

[Utrera] Are you an opposition candidate or do you have the support of COPEI alone? If the former, how would you deal with the candidacy of Walter Marquez, the MAS leader?

[Vivas Teran] The basic tendencies of the political and social party groups operating around my candidacy point to turning this candidacy into the expression of an alliance of the people of Tachira going beyond political nominations of the past. This is because my candidacy is based on two fundamental propositions. First, defeating the national and regional governments presided over by President Carlos Andres Perez and Dr. Ron Sandoval, respectively. They have not measured up to their responsibilities. They have not had the courage to give the people of Tachira better living conditions, jobs, housing, and public order. The second proposition is agreement on a program to lift Tachira out of the backward state in which AD governments have kept it for many years.

Now, Walter Marquez is a fighter. He is charismatic, noble, and honest and he has always demonstrated that he has a deep concern for the problems of Tachira, especially among the most needy classes. Therefore, I am sure that support from Walter Marquez for this policy of an alliance of the people of Tachira will be considered very important by those of us who are engaged in the task of restoring our values. For this reason I believe and I pray that in the next few days Walter Marquez and I will reach agreements on a policy and program which vigorously reflect the Tachira alliance.

Support from Fernandez and Caldera

Regarding the situation within COPEI, Vivas Teran was asked if he would have the support of Eduardo Fernandez. He replied:

"In many conversations which I have had with comrade Eduardo Fernandez, secretary general of COPEI, and after a detailed analysis of the regional and national situations, he has told me that he regards my candidacy with enormous enthusiasm and that he will support me."

[Utrera] And what are your relations with former President Caldera?

[Vivas Teran] Before reaching the decision to move to Tachira in a definitive way to fight for the position of governor and defeat 25 years of AD control of the state I spoke on many occasions with former President Caldera. There was broad agreement on what Tachira meant for Caldera during his years of political training and as a democratic leader. He told me that if I could win the elections in Tachira, it was worth the effort and that, on that basis, I could count on his intellectual and political contribution.

Critical Poverty and the Social Fabric

When Vivas Teran was asked about the problems which now most affect the State of Tachira, he thought a few minutes and responded as follows:

"Today the State of Tachira is living through its most difficult economic and social situation, since all of the indices are below the national average in terms of critical poverty, unemployment, illness, a lack of housing, and life expectation, among many other evils. So what does this mean? It means that Tachira is in a worse situation than that facing the nation, that it is a state which is deprived in economic terms, with a level of unemployment which is choking its residents and leaving them with psychological and social scars. To this we may add a picture of growing insecurity, a very high cost of living, and other factors which prove the perverse results of national and regional, economic policy."

[Utrera] Since President Perez is from Tachira, how do you regard his economic policy in Tachira?

[Vivas Teran] The economic policy of President Perez, or the so-called structural adjustments, and the reestablishment of basic macroeconomic programs are just a permanent source of the creation of poverty in the country. That policy has not even achieved the basic equilibrium of the economy. However, on the other hand, it has succeeded in unleashing a severe deterioration in the social situation in the country. In this connection I should point out that we have an unemployment index of 15 percent. Together with the fact that the index of people engaged in the informal economy stands at 41.3 percent, these show that more than half of the Venezuelan people during their most productive years are being underutilized.

If to this situation, revealed in statistics, we add the asphyxiating condition of those who live on their salaries in the face of the freeing of prices for goods and services, we can conclude that the economic policy of President Perez has only produced an alarming growth of poverty. This poverty has its impact on levels of demand because it has left a very small market of consumers. In this state of inequality it appears to be impossible to have an open and competitive form of capitalism, as President Perez has proposed. This is because what we have now is a tendency toward an underdeveloped and unproductive form of capitalism.

Furthermore, in the absence of a planned, social answer to these problems, the only thing which the Perez administration has promoted is tendencies toward the growth of anarchy and social violence. These form a broth in which threats to destabilize the democratic system grow. Therefore, the conclusion is to propose a change of 180 degrees in economic policy to seek to have an impact on the social picture before the social fabric of the Venezuelan people suffers irreparable damage.

* COPEI Accuses CAP of Inaction on Crime

92SM0150A Caracas EL UNIVERSAL in Spanish Section 1, 19 Nov 91 p 15

[Excerpt] Paciano Padron, deputy secretary general of the Social Christian Party (COPEI), has asked the government for an immediate response to the document submitted to it containing recommendations for eliminating crime in the country.

The party has demanded that the national government take harsh steps against crime by implementing urgent and effective measures to combat it, to defend Venezuelan families, and to guarantee calm for the citizens.

In this connection, it approved the document in question, which Deputy Paciano Padron delivered a few days ago. The document contains "80 proposals for combating crime and delinquency."

Padron, who served as the COPEI National Committee spokesman, said that "it is deplorable that the excessive and continuing international trips made by the president of the Republic are preventing him from being informed about what is happening in the country, to the point that he makes mistakes which reveal his lack of knowledge of public events, enters into disputes with his ministers, and demonstrates the lack of coordination between himself and his cabinet."

The undersecretary general of the Social Christian Party recalled that last Thursday, 14 November, he delivered to the executive branch, through the intermediary of the minister of internal relations, and on behalf of the COPEI, a document containing 80 proposals for combating crime and delinquency. Three days later, President Carlos Andres Perez (CAP), when asked by journalists about his view of the COPEI recommendations, said that the party had made no proposals.

"And when reporters assured him that there was a public plan, he said that the proposals came from some member of the party," Padron added. The minister of justice, for his part, stated that "the COPEI proposal is under

consideration by the executive branch. We will announce the opinions it merits at a later date."

Padron then reiterated the COPEI decision to demand harsh action against crime, so as to defend Venezuelan families and to protect the tranquillity of the citizens. "And it is asking the government to implement, on an urgent basis, the first effective measures against crime, which has quadrupled in 1991."

Padron then noted that 295,696 crimes were reported in 1990, while in just the first half of 1991, the total came to 623,989.

"The National Committee demands a response to this document. This is the fifth we have submitted in two years. The first was submitted by the National Committee itself, and the second by the parliamentary faction of the party. The third was the product of the summit meeting of Social Christian governors held in January, and the fourth was submitted when we held the meeting of Social Christian mayors and council members here in Caracas. There has been no response, not only no formal communication acknowledging receipt, but also no response as to actions taken." [passage omitted]

* Ochoa Antich Promotes Increased Army Benefits

92SM0153B Caracas EL DIARIO DE CARACAS in Spanish 26 Nov 91 p 25

[Article by Elba Romero Lopez]

[Text] In the advanced defense course given at the Higher Institute for National Defense Studies, Fernando Ochoa Antich detailed the activities carried out by his office to improve the FAN's [National Armed Forces] economic situation. Once again he confirmed his rejection of a coup as a solution to the country's problems.

Defense Minister Division General Fernando Ochoa Antich indicated that it is of high priority for his office to structure the Social Welfare Plan to ensure the permanence of officials within the military ranks, and to end the current unhappiness within the institution because of the low salaries.

This statement was in response to concern on the part of alumni of the Advanced Course on Security and Defense given at the Higher Institute for National Defense Studies (IAEDEN), where he participated in the conference and analyzed aspects of national life, with an emphasis on problems of the military institution.

Fernando Ochoa Antich emphasized how important it is that this Social Welfare Plan be executed, despite the fact that the budget allocated to it is far from that needed and anticipated at its original conception. In that respect he indicated that this is a central problem, since "if we do not succeed in structuring a social welfare plan, the most technically qualified elements of the military organization will desert, thus generating a weakening of the structure."

The plan was initially for 28 billion, of which only 13 billion would be guaranteed in the ordinary budget and the rest would be acquired through a Public Credit Law.

The lateness in applying the aforementioned plan is because before its arrival at the office, it had not even been presented to the Congress, nor had it been approved in the Cabinet, nor had it succeeded in overcoming the Cordiplan stumbling block. It has now obtained the approval of these organizations and is ready for discussion at the congressional level.

As a result of the Cordiplan conversations it was finally decided, in the face of the impossibility of obtaining the 28 billion bolivares required to structure "a more realistic plan," to reduce it to only 18 billion. At the same time, the defense minister requested 4 billion bolivares for this year (for the purpose of increasing the allocations to the plan), but Cordiplan only authorized 2.5 billion bolivares.

Going deeper into his explanation of the reality of the military institution's problems, Ochoa Antich insisted on the Armed Forces' need and obligation to adapt themselves to the country's economic circumstances; and indicated that there is not sufficient revenue to overcome the deficit this sector faces.

"With 46 billion, we are maintaining the same percentage as last year; what has fallen is revenue. Faced with this situation I have set before the Congress a request for 7.2 billion bolivares."

Only In Emergency

The students' questions revolved primarily around the Armed Forces' activities in the security area, and someone was daring enough to ask about the possibility of a role beyond that of exclusive military defense, including even civil, political, and economic defense.

On this subject, the minister emphasized that strengthening the National Guard [GN] is necessary as a response to the domestic crisis and the "weakening of the Venezuelan state that is occurring, now that the FAC [Armed Forces of National Cooperation] are a structurally important element of the state." But this strengthening must be given without the GN ceasing to belong to the military structure, since this would not be convenient for the State and even less so for Venezuela, "which has certain tendencies toward excess politization."

He rejected the notion that, as a consequence of the doctrine of the 1960's, it has become customary to resort to the Armed Forces "without a state of emergency existing," saying that they must be employed only when constitutional guarantees have been partially or totally suspended.

He explained that diverting the Armed Forces from their primary function is not convenient for the country and

that this attitude should be reviewed, in order to prevent the FFAA's [Armed Forces] budget from being used inappropriately.

The Coup Will Not Occur

The defense minister also confirmed yesterday, once again, his rejection of a military coup as a solution to the serious problems Venezuela is experiencing, and stated that the solution lies not with the military, but in forging "a national unity that supports the government in confronting the difficult crisis we are experiencing.

"We are not the solution to the problems, because we do not have a monopoly on patriotism," added Ochoa Antich, who immediately explained the reasons for the military institution's rejection of a coup solution.

In this respect he indicated that Venezuela has a long democratic tradition, and that "the current crisis, although it is a deep structural crisis, as much of the State as of society, in no way indicates that this requires a military intervention."

He stated that military opposition to this type of action stems as much from the ethical point of view as from the practical. The former is because "we have a clear view of what loyalty to the republican institutions means.

"We also reject it from the practical point of view, because we do not believe that military intervention is a solution to the problems we are experiencing, but rather on the contrary, it would worsen the problems, because the political regime would lose its legitimacy."

The FAN: Only in Emergency

Next December Taskforce Group 1.1, located in the town of Paez in Apure State, will be deactivated, Minister Fernando Ochoa Antich announced.

The defense minister explained at the IAEDEN that once the causes giving rise to the creation of this group have disappeared, the Army's further presence in that region will no longer be justified, and only the National Guard will remain, in agreement with the organizational structure of the military institution.

General Ochoa Antich emphasized that the taskforce groups are temporary organizations created to respond to specific types of threat in areas of the national territory requiring it. He stated that in the case of Apure State, the critical situation resulting from the kidnappings has changed significantly, and that of 27 committed during the first half of the year, there was only one during the second half of the year.

This deactivation of Taskforce Group 1.1, said Ochoa Antich, "requires me to request the National Guard to have sufficient members and resources in place to ensure the peace that has now been established in the zone.

"The National Guard has to have the operational capacity to allow it to return to it its traditional role (...) I also hope that in the course of the next few months (...) the National Guard, through its traditional border services, which were the essence of the National Guard when it was created, will with this strengthening of its structure be able to confront this situation so that the rest of the Armed Forces can fulfill their fundamental mission, which is to prepare for war."

The minister criticized the custom of utilizing the Armed Forces even in situations that did not require them, and without a state of emergency existing.

In another series of ideas he also announced that he would finally be able to carry out the strengthening of the border posts, one of the basic objectives of his administration. He had 30 million bolivares available for that purpose, apportioned by Cavim, a company that during the current year has generated earnings on the order of 400 million bolivares.